DAILY MARKET LETTER

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141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Jan. 2, 1934.

30 March 1983

While sentiment is practically unanimous that 1934 will be an epoch-making year, yet on its first business day traders showed the greatest apathy and disinclination to engage in any new commitments. The volume of trade on both the stock and grain exchangeswas extremely light.

The newspapers seem united in their beliefthat not only will devaluation of the dollar take place at some future time, but they also incline to the opinion that it will be more or less drastic. In other words, that the present 63-cent paper dollar in terms of exchanges, might be reduced to 50 cents, or at least between 50 and 60 cents.

The financial world, however, seems to discredit such extreme ideas, otherwise sterling exchange would show an immediate advance. It could easily rise to $6, whereas today it changed scarcely a fraction and remained practically the same as on Saturday. Furthermore, the gold price, which was unchanged again today at $34.06 per ounce, would have to rise about $41.00; and as yet no efforts are being made to boost the price which has been at that level now for a couple of weeks, nor do gold stocks show any particular strength.

There is also a possibility that difficulties might be encountered and that the best-laid plans might miscarry. After all, there are about 600,000,000 ounces of monetary gold in the world, which at $40.00 would represent a value of 24 billions of dollars, to say nothing of all the gold which for centuries has been accumulating in the arts and which could be melted down assuming we should have a free, open market.

It is these uncertainties that call for such great caution at the present time, and we have scarcely a large speculator left in the grain business who has heavy engagements. This in itself makes the load so much harder for the numerous small holders to carry. Until there are further developments at Washington, we believe grain news will be watched more closely and will be the deciding factor for a while. Later on, of course, inflation will be the big thing; and should it materialize we are not afraid to put ourselves on record in black and white that before the year expires commodities in general ought to sell at higher levels: subject, naturally, to special conditions in some cereals where price fluctuations will depend on variation in size of crops.

There were no rains in the southwest, but our own weather man believes that the very heavy precipitation on the Pacific coast might come eastward and that the outlook for some moisture in Kansas is better than it has been for some time. In fact, later in the day there was a sprinkling at one point, which of course might extend further.

Receipts continue extremely small, but the milling demand also is deplorably poor. Chicago received only 12 cars of wheat after all the holidays, and the primary receipts were only 434,000 bus.compared with 912,000 last year. Shipments, of course, were equally light, only 233,000 bushels versus 431,000 in 1933. The visible supply showed a decrease of only 991,000 bushels while a year ago it decreased 2,081,000 bushels; and the total is now 38,000,000 bushels smaller. However, the present visible supply of 125,000,000 bus. will not, in our opinion, decrease below 90,000,000 by the first of May when navigation begins, and possibly might be closer to 100,000,000 bushels. This we think the trade will not carry into the next crop without a carrying charge. At the close wheat futures showed a decline of 1/2¢ per bushel compared with last Saturday.

Corn showed independent strength, and at one time advanced 1 1/2¢ per bus., but best prices were not held, and closed 3/4¢ per bushel higher. Trade is very much impressed with the extremely light receipts, Chicago receiving only 60 cars today, although there was no session for two days. As we have predicted before, there will probably not be burdensome receipts at any time on this crop, or at le not until very much later when the government might have to take in the corn in cribs on which it is loaning money in a very liberal way. There is only one offset against this bullish situation, and that is the small amount of feeding caused by the extreme low level of prices for hogs and cattle. The government agencies, however, are making every effort to correct this, and hog products are being liberally distributed to the needy. In view of further efforts which are being made to reduce the acreage next year, we still believe this cereal has possibilities with sufficient patience.

Oats and rye showed a moderate advance.

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CHICAGO Jan. 3rd, 1934.

There was no change in the price of gold here today; nor in sterling exchange, although gold advanced about 6 pence in London. The English price for this precious metal is very much closer to ours now than it has been for some time.

Trade was extremely quiet for the greater part of the session, everybody awaiting our President's message. While same was being delivered both the stock and grain markets commenced to sink, because no further encouragement was given regarding inflationary measures; and our whole price structure had been based on the assumption that this would come. It must not be imagined that because certain projects have been conceived that the work has been done. It is quite plain that so far our gold policy has not brought about the desired results, many cereals, as well as hogs and cattle, are selling for less than at the time it was inaugurated. It is not an easy matter for any nation to raise prices artificially without the co-operation of the balance of the world, and then keep prices at the high level. However, regardless of the fact that no strong promises were made in this direction, we believe the country has been educated to the point where it is difficult to go backward, and it is to be assumed that the inflation which has taken place so far will at least be maintained for some time.

Wheat statistics continue to be bearish. According to the Census Bureau the flour output in November was 8,114,390 barrels compared with 8,718,976 last year; for five months it was 38,829,308 barrels against 44,328,029 in 1932. This expressed in bushels means a reduction of about 25,000,000 bushels less than a year ago.

The Canadian market was comparatively firmer than ours, and there seems to be a fair demand for their wheat.

There was quite fair precipitation both at Oklahoma and eastern Kansas, but very little in the western section as yet. Nevertheless, it created sufficient impression in the southwestern markets to cause a much sharper decline there than here. There were again no wheat clearances, and primary receipts continue to be light-- 230,000 bushels versus 361,000 a year ago. Stocks of wheat at Kansas City, Duluth and Minneapolis so far this week show a small decrease of 13,000 bushels.

When wheat declined corn, oats and rye all followed in sympathy, but corn receipts are extremely light-- today only about 28 cars, and the country is absolutely selling nothing to arrive. We think this cereal will do better.

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CHICAGO Jan. 4, 1934.

The President's message yesterday concerning his policies was very clear on some points but rather noncommittal on others. He was very emphatic in indicating that the various recovery organizations set up during the past months shall continue to function and will be pushed even further.

His budget message today confirms that there will be no abatement of liberal government spending for the next few years. The fact that the deficit for the current fiscal year is expected to reach the monumental sum of $7,300,000,000 and $2,000,000,000 next year makes it quite clear that inflationary fears are fully justified, particularly as the deficits are to be covered by borrowing and not by additional taxes.

There was no clarification yesterday of the monetary policy except that stabilization seems far away, the reason being given that many difficulties are encountered in making suitable arrangements with foreign nations. For some time, therefore, it will remain doubtful to what extent and just when the dollar will be devalued. However, with the vast expenditures, there seems every probability that as time goes on the dollar will be further depreciated rather than boosted.

Trade was extremely light until the budget message appeared on the ticker causing immediate purchases.

With so much money being spent there is bound to be temporary improvement in all lines of business, and any resulting increase in employment should increase consumption of flour and other foodstuffs.

From now on we expect rather few immediate surprises from Washington, and the trade will consider more and more the size of the wheat crops everywhere to determine the worth of the grain. There were some rains in the western dry district today; quite fair amounts in Oklahoma and eastern Kansas, but comparatively little in western Kansas. More precipitation is in sight. European crop prospects are decidedly less favorable than at this period last season, as France has sent some complaints of possible winter killing; although there may be an offset should Russia harvest a large crop. It is very difficult at any time to obtain reliable information from that country, but the consensus seems to be that there will be a largely increased acreage with a better crop outlook than for some time. There were shipments from there this week of 1,320,000 bushels compared with only 512,000 last year.

The gold price both in London and in this country was unchanged. Sterling exchange was very weak at one time but improved during the day, closing considerably higher; influenced, probably, by the liberal expenditures here as indicated in the budget.

Primary receipts of wheat today were 159,000 bushels vs 292,000 last year. Canadian marketings, 144,000 bushels. Clearances were none, compared with 50,000 bushels a year ago. Stocks of wheat at Kansas City, Duluth and Minneapolis show a net decrease of 163,000 bushels so far this week.

At the close wheat showed an advance of 1/2¢ per bushel. Corn showed independent strength during most of the session; receipts continue very light, only about 40 cars, and stocks from now on ought to show a moderate decrease. The market closed with an advance of about 1 1/4¢ per bushel.

Rye and oats followed the other cereals.

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CHICAGO January 5, 1934

With the frank statements of our president regarding his policies, and with full knowledge of proposed budgetary expenditures, there is little room left for guesses in this direction. Under ordinary circumstances, stock and commodity markets would have responded notably to the great possibilities of inflation contained in the heavy disbursements as set forth. That the contrary was the case, and particularly as Europe did not become alarmed, leads us to the following conclusions:

First, that there is probably some sort of understanding with the large reserve banks of Europe as to stabilization of the exchange. Sterling has varied but little now in weeks, regardless of news which otherwise would have influenced it. Gold prices remain unchanged. While we do not mean to convey that there is an absolute arrangement providing for the maintenance of a certain relationship between the foreign exchanges and ours, it is conceivable and quite probable that an informal working agreement has been established for the furtherance of unhampered commercial intercourse. On this premise, a rapid depreciation of our dollar in that connection is not now in sight.

Secondly, we believe that for the present we have passed the "greenback" danger, as well as that of a bimetallistic currency. At least, the message contained nothing to lead us to think that the president is in favor of any such measures; and he still has the final decision.

However, the kind of inflation which now is almost certain to come is by the large expenditures through borrowed money. This as a rule has been the cause of all inflations; and of course sooner or later this should help commodity prices in varying degrees according to whether they are import or export articles and with respect to special circumstances surrounding each. One could not expect the price of a cereal to rise as much, for instance, if the crop were abundantly large and heavily in excess of the demand.

Of course this later inflation is not as spectacular nor as sensational as the first one, which came from fears and hysteria when the dollar jumped 20 to 30 points within a few days, etc. All this accounts for the present calm; but it may be a calmness before a storm, provided everything does not work according to rules. For instance, we believe the fact that a balanced budget is suggested by July 1st, 1935, had a very reassuring effect. However, nobody can be quite sure what might happen eighteen months from now. Should we have much inflation, everything should then of course rise: our government expenditures for the regular budget would increase; wages for federal officials would have to be increased, and it would cost more money to build a battle ship, etc. We, therefore, continue to believe that in sizing up the value of cereals, a long continued inflation, although it may be slow working, will have to be considered.

Wheat news itself was of no particular consequence today. There was quite a good deal more moisture from Nebraska eastward, but none in the drought district in Kansas. The chief feature, we would say, was the extremely light wheat receipts compared to a normal year. There were some statistics given out by Mat C. Murray; and his conclusions do not differ very much from ours. We believe that no matter what will happen now, we shall have a fair sized carryover for the next crop, although possibly 130 to 150,000,000 bushels less than last year. But even a carryover of 230,000,000 bushels would be too much, provided we have a good wheat harvest next July.

There were no wheat clearances today. Stocks at Kansas City, Duluth and Minneapolis show a net decrease of 246,000 bus., indicating another good decrease in the visible supply on Monday. Primary receipts of wheat were only 187,000 bus. compared with 363,000 last year when they were also small. At the close wheat showed a decline of 5/8 cent a bushel.

Corn was also lower; but the decline was entirely due to sympathy with wheat. Receipts were only about 30 cars; and daily the sales are larger than the new purchases. Cash premiums are also advancing and are selling much closer to May than at any time on this crop. Corn closed 1/2 cent a bushel lower. Oats and rye were lower in sympathy with wheat.

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FORT WORTH GRAIN AND COTTON EX.

Sat.

January 6, 1934

Trade in all grain pits was almost at a standstill today. Fluctuations were extremely narrow, news was colorless, and there was no inducement to make new commitments. Inflation as a factor is momentarily played out and will continue so until something entirely new develops. The large expenditure of money undoubtedly will have inflationary tendencies, but in such a gradual way that their effect will be only secondary.

The weather both here and in Europe will be of more importance, although it is yet too early to create any excitement. Our crop scares usually come in March and April. One good snow covering on the fields would for its duration put an end to reports of any nature concerning the outlook for the wheat crop. There is still insufficient moisture in the western part of Kansas, Nebraska, and the Texas panhandle, nor is the weekly prediction especially favorable. Temperatures will probably be at or above normal, and not much precipitation is likely except possibly toward the end of the week.

The only important news from Washington was a report that the Senate agricultural committee had unanimously ordered a favorable report on the Smith bill providing for $100,000,000 in loans to farmers for seed with which to produce crops. Should this finally be enacted into law, we shall have on the one hand processing taxes amounting to about $600,000,000 to be distributed to farmers, plus perhaps $200,000,000 or $300,000,000 more to reduce crops; and on the other hand an appropriation of $100,000,000 for seed loans to produce crops. It will require very careful handling of these various funds to bring about the desired results: first, affording aid to the needy farmer who has no other means of procuring seed; and, secondly, of inducing the more prosperous one to abstain from planting all of his land.

At the present price of wheat, $60,000,000 would easily suffice to supply every farmer in this country with his seed requirements. Another $20,000,000 would furnish every corn farmer in this country with enough seed to plant 100,000,000 acres, although it is the intention of the AAA to reduce that area to 80,000,000 acres. So out of the $100,000,000 to be appropriated there would probably be enough left to help the oats farmer, thereby taking care of about 200,000,000 acres, which is somewhat less than half of the total area under cultivation in this country. It should not take a great deal of money for the cotton farmers, provided also the acreages are reduced from 40,000,000 to 25,000,000; although we have no exact data on this point.

Transactions in all cereals remained of a desultory character until the close, final changes being very small. Wheat advanced about 3/8-cent per bushel and corn 1/4-cent.

There were no wheat clearances today. Primary receipts remain light, 205,000 bushels vs 418,000 last year. Stocks at Kansas City, Minneapolis, and Duluth show a net decrease of 284,000 bushels, thus indicating a fair-sized decrease in the visible supply on Monday.

Corn receipts continue very light, but the demand at present with the milder weather is also only very moderate. We rather look for a decrease in the visible supply on Monday.

Oats and rye fluctuated scarcely at all.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO Jan. 8, 1934.

We believe it would have been difficult for the closest observer or the most enthusiastic collector of news to have discovered anything on the horizon of world's affairs over Sunday, which would throw any new light on the general situation. Washington, of course, still remains the center; and there was no information from that quarter which would induce one to change his opinion previously formed. Sterling exchange was a trifle weaker, but the gold price here was unchanged; the smaller fluctuations are meaningless and without any influence. Consequently, speculative trading in commodities and stocks is at an extremely low ebb. Last Saturday transactions in all cereals on the Chicago Board of Trade had been reduced to 8,711,000 bushels. Such small volume is quite as extraordinary as the big volume we had on July 20th, when the total trading amounted to 268,000,000 bushels, or thirty times larger. Of course, Saturday is only a short day, but we doubt whether today's transactions, although extending 1 1/4 hours longer, will show much of an increase. If it was the intention of the administration to curtail speculative ventures on the exchanges, certainly much has been accomplished. However, we still remain of the belief that in the long run purchases for future delivery are helpful to the farmer, and without same it would be difficult to maintain prices; the farmer as a rule sells his crop faster than the consumer can take care of it; and somebody has to carry the load in the meantime. Total fluctuations today were extremely narrow, and whatever changes took place were largely brought about thru purchases and sales of only very small quantities; therefore, are really not indicative of what the future will do.

Primary receipts continue to be extremely light- only 362,000 bushels compared with 607,000 last year. As consumption is going on, although at a reduced rate, the visible supply decreased again 2,365,000 bushels, which is about 400,000 bushels larger than in 1933. The total visible supply now is 122,000,000 bushels, which is 39,000,000 bushels smaller than a year ago. There were no wheat clearances. World shipments amounted to only 7,422,000 bushels against 11,590,000 last year. It is quite surprising how the world can get along week after week with such small importations.

The World Commission had a meeting to consider an agreement to raise prices and expand the market by seeking lower tariffs. It was also suggested to establish minimum prices. However, everybody recognizes the many difficulties which stand in the way before such a project can be consummated, particularly as at the present time there is such a variance of prices in the different countries, especially in the United States where the price level is so much higher than elsewhere; and the administration is trying to increse it still further instead of reducing it.

There was some moisture in the southwest over Sunday, but the precipitation was not sufficient to bring permanent relief unless followed by more. The Weather Bureau had made a mistake early in reporting the amount of rainfall, but when the correction was made it showed very plainly that the moisture was rather disappointing.

At the close there was a trivial decline in wheat of 1/4¢ per bushel.

Corn receipts continue to be very light, and new offerings for sale from the country are next to nothing. Primary receipts amounted to only 519,000 bushels compared with 724,000 last year; and shipments were larger by comparison 303,000 bushels versus 112,000. Naturally the visible supply decreased 749,000 bushels, but the quantity left is still extremely large at 66,000,000 bushels; in 1933 it was only 29,000,000 bushels. Corn prices closed practically unchange.

Oats and rye showed prices of possibly a shade higher, but the trade in both these cereals was entirely insignificant.

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CHICAGO Jan. 9, 1934.

The fact that the Treasury Department gave out the information today that during the past week they had purchased government bonds to the extent of $44,000,000 was another gentle reminder that inflation possibilities and probabilities are in the air. No opinion regarding the value of commodities can be formed without taking this all-important factor strongly into consideration. We think it was one of the prime causes for the strong opening in most commodities as well as stocks. Also the very short crop the past season is making itself felt more and more as far as cereals are concerned; and it is quite natural the effect on the market should be greater the last six months than the first; and it is quite certain that from now on the visible supply of wheat, corn and oats will continually decrease every week. The flour output during last month absorbed about 38,000,000 bushels of wheat, which was way below the average, and if this would be kept up for six months, millers would require 228,000,000 bushels. Assuming that the crop experts are correct in their guess of 170,000,000 bushels of wheat being left on farms, if every bushel which is now in farmers' hands would be sold, we would deeply cut into the other stocks, either the visible supply or millers' or country elevator stocks. Therefore, from now on hedges will be taken out of the market, and will have to be supplied from holders of futures, all of which should have a strengthening tendency. Of course, we can never quite lose sight of the fact that in spite of this there will be a good-sized carryover, but this burden will only appear large provided we should raise another good crop. Another day passed without any good moisture in the southwest. As a matter of fact the amount of precipitation in the southwest is not only below normal, but it really should be above in order to offset the poor sub-soil moisture which caused such great deficiency during the last two years. However we want to point out that much can be repaired, but at the present time it looks almost hopeless for a bumper crop; it is even quite questionable for an average one.

At the close the wheat market showed an advance of 5/8 to 1 cent per bushel. Stocks of wheat at Kansas City, Duluth and Minneapolis so far this week show a decrease of 247,000 bushels. No wheat clearances were reported. Primary receipts were again extremely light, 239,000 bushels compared with 479,000 a year ago.

Corn showed a strong tendency right from the beginning, and the small receipts of only 31 cars added greatly to the already bullish feeling. The local interests hardly purchase enough corn from new arrivals to keep them going and are compelled to obtain additional supplies by drawing on accumulated stocks in public elevators.

Oats and rye shared in the firmer feeling of the other cereals.

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CHICAGO Jan. 10, 1934.

Our wheat market has been functioning for a number of years independently of the balance of the world, and we have gradually become accustomed to this condition. The causes which brought about this state of affairs can easily be explained: for a few years, thru the Farm Marketing Act, an artificial price level was established here, and whatever surpluses were created were carried by government agencies. The present season our independence from abroad came about in a more natural way-- thru raising one of the shortest wheat crops per capita this country ever produced, while European crops were exceedingly bountiful. For 1934 and still further ahead the administration will try to continue to create higher levels here than abroad, and hopes to accomplish this result thru curtailment of acreages. Naturally, and with good reasoning, the average trader pays hardly any attention now to either smaller fluctuations at Liverpool, or to the ups and downs at Winnipeg. He is more interested in anything that affects the domestic situation; and same has assumed a more encouraging character the last few days. Flour mills which had been conspicuously absent in making wheat purchases on a large scale for a long period have suddenly come into the market, both in the southwest and the northwest, and now appear to be liberal buyers. In addition, the drought situation in the southwest continues to cause apprehension, but it is too early yet to present any real alarm. While there may be quite a large territory which is not much better off than in 1933, at least half of the area where wheat is sown, east of the Mississippi River, is promising well at the present time. Furthermore, it is more than probable that the weather from now on this season will not be equally unfavorable as it was the previous year, because then it was exceptional; and we always have to figure on the normal.

With receipts as light as they are now it is quite plain that mills will be compelled to a large extent to come to terminal markets for their supplies. This in turn will necessitate the buying-in of hedges and should cause a strong undertone all around. This is what happened yesterday and today, and only the total absence of speculative buying prevented still further upturns. It is always a slow process when markets advance on consumptive demand. As a rule the speculator anticipates and his aggressive actions are quicker in bringing results.

The trade continues to be extraordinarily light. Yesterday's transactions in all cereals amounted to only 15,087,000 bushels, and this is not confined to outside orders, but also includes very large scalping transactions. Many large commission houses are fixed so they could easily handle this quantity in one day; in fact, many of them could boast that their daily commission business was as large, and exceeded that amount, in lively trading markets.

Primary receipts were extremely light- only 233,000 bushels compared with 558,000 bus. last year. Stocks of wheat at Kansas City, Duluth and Minneapolis so far this week shows net decrease of 454,000 bus., thus making it quite clear that the visible supply next Monday will show another large decrease. No clearances were reported whatsoever. In fact, total exports of both wheat and flour from the U.S. and Canada up to date since July 1st are only 111,000,000 bus, versus 171,745,000 a year ago. We do not believe there was ever a single year since the War, and possibly not for twenty years prior to that time when both these countries shipped such small quantities abroad. This, of course, makes it plain that Canada will again carry over large quantities of wheat into the next crop. Should a situation ever arise when, on account of larger home crops, we would be compelled to again enter the export column, the whole picture would change.

There was no change in the gold price today; and no further sign of any immediate additional inflation, but of course this is something we always have to keep in mind and it may come out of a clear sky.

At the close the wheat market showed an advance of 1 1/2¢ per bushel.

This afternoon the government will issue its estimate on farmer holdings as of January 1st. The consensus is that it will show about 170,000,000 bushels. Should it vary greatly from that figure it will be considered either bullish or bearish according to the figures, and may have a sentimental affect tomorrow.

Corn receipts continue to be extremely light, and daily sales by far exceeded new arrivals or purchases, thus creating a healthier situation and a gradual decrease in stocks. This, no doubt, will continue until government agencies make disposition of the corn on which they have loaned money and which may come on the market later.

Oats and rye also benefited from the strength in the other

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CHICAGO Jan. 11, 1934.

With the changing policy of our administration, it is becoming increasingly difficult to do any important planning ahead. Therefore, even the government report on farm reserves which came out yesterday afternoon, and which brought some surprises, could not bring much activity to the cereal markets. The fact that the gold price remained unchanged now for the eighteenth consecutive day- in fact had not done much for about six weeks, and the further fact that sterling exchange remains more or less stationary, leads to the conclusion that for the present less reliance is placed on the recovery program through gold purchases, and more hope is placed on the fact that the large expenditure of money will bring about the increased turnover; more employment and higher prices.

Opinions are not uniform that this theory will work out O.K., because this government spending must stop sometime and the question always remains: What will happen the day after?

The Government shows farm reserves for 1934 only 194,000,000 bushels of wheat compared with 272,000,000 last year. Of course, everybody knew that with a shorter crop there is bound to be less wheat on farms than in the preceding year; but the concensus was there might only be 170,000,000 bushels left; consequently an additional 24,000,000 bushels was considered rather bearish.

Shipments from both the Argentine and the Black Sea are rather light this week, but with the large crop that was harvested in the southern hemisphere, little attention was paid to this at Liverpool, and in fact their market was rather weak because impending heavier shipments will soon press on the market. It was also reported that the total sales so far from the Pacific coast amounted to 10,000,000 bushels, and possibly before the year is out about 25,000,000 bushels might be exported from there, which relieves the situation to that extent. Nevertheless, we don't change our figures regarding the probable carryover on July 1st very materially. Taking the farm reserves which are 78,000,000 bushels less and the visible supply 40,000,000 bushels less than in 1933, making a total of 118,000,000 bushels, and assuming that stocks in other places should also be reduced 20,000,000 bushels, or a total of 138,000,000 bushels deducted from last year's carryover of 385,000,000 bushels, would still leave a quantity not far from 250,000,000 bushels.

It is not likely, with the processing tax and a higher price level this year than last, that consumption during the last six months will exceed that of the same period in 1933. Also the amount of wheat fed to animals ought to be quite small, as feedstuffs are relatively so much cheaper.

Primary receipts continue to be exceedingly light- only 226,000 bushels compared with 471,000 a year ago; consequently, great inroads are made in terminal stocks; so far this week stocks at Kansas City, Duluth and Minneapolis show a net decrease of 783,000 bushels. There were no clearances reported whatsoever. At the close the wheat market was 1 1/8¢ per bushel lower.

The corn reserves were about as expected, but they show plainly that the consumption has been much smaller than the previous season on account of the low price of hogs and cattle and a higher price for corn. Were it not for the fact that thru government loans a large share of the surpluses were held back in the country, it would have been construed as bearish. Better prices which are being paid for cash corn brought about heavier offerings from the country. Receipts were also somewhat larger-- 65 cars today.

Farm reserves on oats were decidedly bullish, but were ignored when wheat and corn showed more or less weakness, the market closing lower.

Trade in rye was very unimportant.

UHLMANN GRAIN CO.

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January 12, 1934.

As long as the drought continues in possibly 40 to 50% of the Western territory the wheat speculator is inclined to take the bull side with any kind of encouragement. He received same today for a while when a report was freely circulated that the Washington government had made inquiries as to what time was available on the radio to make several special announcements. It was assumed, of course, that any special news coming from Washington could only be constructive. We immediately had an upturn of about 1 cent a bushel but afterwards when the report was denied the wheat which had been absorbed did not come on the market again. At the close it showed an advance of 1 1/2¢ per bushel.

Government policies are so well known now that we hardly expect any surprise from that quarter at the present time. It is assumed judging from the late policy which has been pursued that the gold program has at least temporarily been abandoned and probably will not be resurrected. This also refers to Professor Warren's commodity dollar. The reasons are very plain: it has not worked and in the future it would be still more difficult to pursue it advantageously. It seems gold had poured into London during 1933 at the rate of three and one-half million dollars a day; total imports for the year were one billion, two hundred eighty-three million dollars, while exports were only three hundred seven million dollars, thus making the net imports nine hundred seventy-five million dollars. These are stupendous figures and show the difficulty of controlling the gold market.

There is a great deal of newspaper talk about devaluation of the dollar to 50 cents. However, this would mean a sterling exchange of about $6.00, and with the present market, sterling declining at one time to $5.07 1/4, there are no indications that any announcement will be made for some time in reference to this matter. On the other hand, reports come from everywhere where money is being spent freely by the government that business is improving at a very lively rate. This refers to the agricultural districts as well as to those states where great irrigation contracts have been placed and where direct results are being attained at the present time. This also seems to be the policy on which the administration is depending mostly at the moment for results, and perhaps we shall hear more contemplated planning in this direction.

The wheat market is also deriving some benefits from a decidedly improved milling business, and as receipts are so very light all purchases, on a large scale, will have to come out of terminal stocks, which continue to decrease steadily. So far this week stocks at Kansas City, Duluth and Minneapolis show a net decrease of 975,000 bushels, which indicates another large decrease in the visible supply on Monday, as probably Buffalo will also show a great diminution of elevator holdings. There were no wheat clearances reported today; but of course all calculations are now based on the domestic situation. Primary receipts were only 296,000 bushels compared with 589,000 last year.

We think the weather from now on will continue to remain the maih factor in shaping prices.

Corn at no time showed the same strength as wheat; receipts are somewhat increasing, and today amounted to 75 cars, which is bigger than for some time.

Oats also improved somewhat. Rye is gaining a great many friends, as by comparison the price looks very cheap against wheat, particularly as so much is being used for making liquor, and furthermore, there is no processing tax on same.

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FORT WORTH GRAIN AND COTTON EX.

January 13, 1934

Postmaster-General Farley made a speech at Cleveland today, setting forth the policies of the administration regarding inflation. He expressed the opinion that neither the conservative policy of the banks will be followed, nor will the demands of the great inflationists be heeded. To all of this we subscribe. Any one who has followed the various indications could only come to the conclusion that nothing radical willbe done at the present time. Any decisive action would have been foreshadowed either by a rapid change in sterling exchange, an advance in gold prices, or a boom in the stock market. Too many people would have to be consulted before action could be taken, and some of the proposed changes were bound to become known.

We are at the present time on basis of a dollar worth 61 to 63 cents. Our present cotton prices are equal to about 6½ to 7 cents in the gold countries, and it would be disastrous should prices in this country be permitted to decline again to that point. We continue to believe, therefore, that the cereal markets will be more influenced for the present by their own conditions and by supply and demand.

Wheat, after declining early, recovered all its loss, finally closing 5/8-cent higher. The shortage of last year's crop is daily making itself more felt in the light receipts, which today amounted to only 252,000 bushels in all markets, compared with 471,000, and the continued drafts on terminal stocks are bringing about a large reduction. Stocks at Kansas City, Duluth, and Minneapolis so far show a decrease of 1,224,000 bushels. Buffalo should also decrease heavily, with scarcely any point which will increase, and the visible supply on Monday should show a very heavy-sized decrease. There were no clearances; but we do not expect any as long as we stay so much above the world's markets.

There was again no moisture in the southwest, but we believe that the indications are more favorable for precipitation, according to the long-time forecast, than for some time. The report states that frequentprecipitation is expected in the great plains, especially over the north portions. Of course Kansas is not included in that part which is likely to have the heaviest rainfall, but where there is much precipitation some part of the southwest, at least, ought to receive benefit.

Corn receipts were considerably larger, about 123 cars, which had a rather depressing effect early in the session; but when wheat advanced corn followed in sympathy.

All cereals received some benefit in sympathy with the extreme strength in rye. Large sales were made from this market, probably close to 100,000 bushels, at the best prices, comparatively with the future, than in a long while; and we believe this demand will continue while no new receipts of any consequence are likely.

It must also be mentioned that the cotton market was extremely strong, advancing about $1 a bale; and we believe this commodity would benefit more than any other from the two-fold purposes of the administration: namely, inflation and reduction of acreages. The statistical position, while not yet very good, is improving, and the carryover at the end of the year will be less than last season; and crop scares are also bound to come as they do every year.

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January 15, 1933

For many months everybody in the commercial and speculative world was anxious for an expression of the administration's policy in regard to gold and our currency; this was furnished today. The recommendations to Congress are to the effect that the dollar should be devalued to 60 cents at the present time with the privilege of another reduction to a maximum of 50 cents, should such a coarse be advisable to the president at some future time. For a long while we ourselves anticipated this result and expressed ourselves very strongly on that point. We did not look for a 50 cent dollar, nor a 65-cent dollar; and all this was not because we had any inside information, but because the foreign exchanges clearly indicated such a course. It is not likely that any action would have been taken without consultation with the large reserve banks in Europe. Therefore, we had to assume that the price of Sterling exchange would be the cue to what was to be expected. As a natural consequence of the government's gold policy, it was also plain that the price of gold here would have to be increased to $34.45, which corresponds exactly to the 60-cent dollar and means an advance of 66 2/3 per cent of the former value. In order to bring the price of gold abroad up to our level, either their price will have to be increased or Sterling exchange will have to advance further to about $5.36. We are inclined to believe that gold prices abroad will be increased; and the indifference of Sterling exchange today is also an indication of coming events.

It is natural to reason that on basis of the new dollar, everything else should gradually become 66 2/3 per cent higher than prices which would have prevailed on the old basis. While all this was expected, the actual realization of it caused a very bullish feeling in cotton, stocks and grains. Since the news is all known, the question arises how much of it had been discounted and how will it affect the various commodities, as they will not all immediately share the benefit alike. As far as wheat is concerned, while from now on we will have to expect a much higher level than otherwise would have been the case, a great deal will depend upon the outcome of the new crop. The fact that there were again no rains in the southwest over Sunday, was in itself a strengthening factor. Also, primary receipts of wheat continue to be small, being 433,000 bushels compared with 835,000 last year; and the large decrease in the visible supply of 3,217,000 bushels compared with only 2,244,000 bushels the previous season, makes the total now almost 40,000,000 bushels less than it was then. At the close there was a net advance of about 3 5/8 cents a bushel for wheat.

Corn did not show the same relative strength as wheat, although the close was 1 cent higher than on Saturday. The fact that receipts are much better than they were, being 131 cars today, is somewhat of a damper; also the fact that it does not yet pay to feed hogs and cattle at prevailing prices of corn. However, we believe in due course of time this will all be adjusted. In the meantime the visible supply decreased 1,465,000 bushels compared with an increase of 735,000 bushels last year; but stocks are still almost 35,000,000 bushels larger than they were in 1933.

Oats and rye also showed great strength, closing much higher.

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January 16, 1934

As we anticipated in our market letter yesterday, the gold price in London had one of its sharpest advances of late, increasing 3s-3d per ounce, equivalent to about 82 cents here. This was brought about, probably, through heavy purchases from this side, as it will be absolutely necessary that the price of gold everywhere in the world be uniform or nearly so if our policies are to work. There is comparatively only a small difference now between here and abroad, about 77 cents per ounce, which no doubt will also be equalized soon. Thus one great uncertainty will be removed, and for the present we shall have more or less of a stable basis on which to figure.

It seems rather strange that under these conditions sterling exchange should have declined, but this must have occurred on the assumption that funds which had been sent abroad are coming back, creating a demand for the dollar and thereby strengthening it.

It is now possible once more to use one's reasoning powers as to what is likely to happen to commodities, always with the proviso that nothing unforeseen and as yet unpredictable will occur. Provided, also, that there will be no breakdown in the various schemes which are now being fostered. We have the experience of both Germany and France as an illustration of what finally happens after inflation. We have also the records of history setting forth other similar periods, and as far as we know there are no exceptions as to the result: i.e., when currencies are stabilized the advance in commodities equals about the decline in value of currency compared with its former value. We must therefore anticipate that sooner or later commodities will be about two-thirds higher than they would have been under the same conditions had there been no devaluation.

Our wheat price of about 90 cents compares with a former price of 54 cents. It must be remembered withal, that this adjustment comes very slowly and takes place over an extended period. It never comes rapidly. For a long while the greatest bargains were available in Germany and France, and everything sold way below world's level. Now the French index number is five times as much as it was in 1914, and in Germany the changes have been proportionate. We have come to the conclusion that the chief benefits as far as price levels for commodities are concerned will come in 1935 and not in 1934. It will be some time before wages, and, consequently, purchasing power, increase. If one could buy 1935 May wheat at 90 cents, he undoubtedly would have a very cheap article. What it will be in 1934 will depend much upon the outcome of the crops. Should the outlook be such that there will be a large exportable surplus next year, we shall have to carry the load for some time.

Meanwhile, there are still no rains in the southwest and none in sight, all of which is a great stimulating factor. It is still possible that a somewhat heavier precipitation than usual within the next four weeks might change the crop outlook considerably. On the other hand, Canada has depreciated its currency as much as we have ours, and their wheat is still selling approximately 20 cents lower than ours.

The milling demand is somewhat improved, and at the opening quite a few hedges were removed; but it is generally appreciated that the advance has been too rapid and speculative holdings were realized to a large extent, finally bringing about a decline compared with yesterday of 1 1/8 cents per bushel. Primary receipts continue light, only 277,000 bushels compared with 479,000 a year ago. The decrease in stocks continues, Minneapolis alone being 375,000 bushels less, and the total decrease up to date for this week is 399,000 bushels, including Duluth and Kansas City. There were again no clearances.

Corn acted reasonably firm during the whole session. Receipts were light, only 66 cars. Primary receipts exceeded those of last year at 688,000 bushels vs 572,000 same period of 1933. Offerings are a little more liberal since the price advance, but the demand is keeping up fairly well. We think corn can be bought on any decline.

Rye acted in sympathy with the other cereals, but we consider it very cheap, the May selling 27 cents under May wheat; and rye carries no processing tax whereas wheat must pay a tax of 30 cents per bushel. Besides, a good deal of rye is now being purchased by the distillers, and the stocks in the country are practically exhausted.

Oats showed a small decline.

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FORT WORTH GRAIN AND COTTON EX.

January 17, 1934

There was no further news from Washington today to influence the grain markets. The trade has adjusted itself to the new conditions as it sees them. The belief is general, despite the fact that the President is authorized to devalue the dollar by a maximum of 50 cents, that at least for a long time to come we can base our prices on the assumptio n of a 60-cent dollar. Inasmuch as foreign exchanges are already practically adjusted to this point, there will probably be no further changes of consequence from that quarter.

It is generally recognized, too, that ordinarily interior prices adjust themselves but slowly to depreciation in currency. Japan went off the gold standard two years ago, since which time the yen has depreciated 60 per cent. Notwithstanding, wages and prices of home products are still very low, so that their living costs have not materially advanced.

However, price rises in this country, even for domestic articles, ought to come much more quickly: first, because we are not such a frugal people as the Japanese but spend freely when we have the money; and, secondly, because of the various stimulants undertaken by the administration. It is probable, then, that for some six months or more business will be very good and consumption large. The trade realizes also that this money spending must end some day; but the average speculator is willing to take his chances of foreseeing the change as quickly as any one else and of being able to realize his profits before the reaction comes. Generally speaking, therefore, the feeling is optimistic and the public is willing to buy commodities with any kind of encouragement.

As far as wheat is concerned, the inducement to buy is coming from a much better milling demand and from continued drought in the southwest. We are a little apprehensive about the outlook in that section yet do not consider it at all alarming, because any heavy rain or snow during the next four weeks would change the picture entirely and still make it possible to have a very fair-sized crop.

Receipts continue extraordinarily small, primaries being only 284,000 bushels compared with 526,000 last year; and stocks at terminal points are decreasing very fast. So far this week they show a decrease in Kansas City, Duluth, and Minneapolis alone of 743,000 bushels. This of course will mean another large reduction in the visible supply, so those who are inclined to be short of the market are afraid to sell May wheat, confining their sales to July, which widened the discount considerably. This latter future can be bought at 2 1/4 cents less than the May. We are inclined to think that finally this will not last, because no elevator owner can afford to carry his wheat into the new crop at a penalty of over 2¢ a bushel in price, besides interest and insurance and having his storage space filled up with no returns. At the close, the market showed an a dvance of 3/8-cent for the May.

Corn acted very indifferently considering the strength in wheat; but this, we think, is partly due to lack of speculation. From our own point of view this cereal has really more inherent worth at the price than has wheat. At the close today it showed a fractional decline.

There was excellent demand for rye, and we believe it will continue. There was not a single car of rye received in this market, and the stocks in the country are so small that any movement for the rest of this year is almost out of the question. Considering that rye has no processing tax while wheat pays 30¢ a bushel, it is selling at only a little more than half the price of wheat; therefore we believe it will do better in due course of time.

Oats were entirely neglected, showing only a small sympathetic advance.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO January 18th, 1934.

Sterling exchange at one time today declined to$4.95, showing by far the greatest dollar strength in some time. As our gold price now is practically fixed, it really means a depreciation of the pound sterling, and, should it be artificial, must have been caused by efforts on the part of those in control of the English equalization fund to depreciate their currency more nearly in line with ours. As the par between the pound and the dollar was $4.86, there is only a trifling difference now. This could easily be accomplished if the English treasurer should sell sterling and buy French exchange, as gold is still available in France in unlimited quantities; and it looks very much as if such operations had taken place, because the French exchange has strengthened considerably as compared with the pound sterling, which would be the natural effect.

We dwell at such length on this subject because commodities will be more influenced by the exchange than by gold prices, although the latter may cause the fluctuations. The merchant, however, who wants to sell cotton, or he who wishes to buy rubber, does not inquire as to the gold price. He bases his calculations entirely on the rate at which he can buy or sell foreign exchange. We believe if the strengthening of our dollar is caused through English manipulations, the U. S. treasury will have sufficient means at its command to counteract the operation; but of course this would result in a woeful race for depreciation in currencies, which would mean no good to anybody.

In the meantime, we still are paying the world's highest price for gold, our present price of $34.45 being $1.37 per ounce higher than that of London at $33.08. At this rate we could easily accumulate a tremendous quantity of it, as the mine output at present values is more than $800,000,000 a year, there ought to be plenty available.

In the wheat pit today little attention was paid to these new monetary developments, as the consensus still is that nothing very radical will happen either way at this time. More stress was laid on the improved flour demand; reports come from so many quarters and signs are so plain that there can be very little doubt on the subject. It is reported that the third section of the Pillsbury A mills started work this morning; the first time in three years that it has been running full capacity. Other millers confirm a better demand, and hedges are being taken off the market right along. Nevertheless, the close showed a decline of 7/8¢per bushel.

Everybody agrees that our available supplies are plenty large enough for all purposes as long as there is no export business. Crop prospects are not improving inasmuch as there was no precipitation to speak of except in a very isolated district in Texas. However, the public is not yet convinced that it is time to take the long side on account of the droughty conditions in parts of the country, as the July wheat remains comparatively the weakest future, and it would be the one which would benefit most should the next crop be a failure or below normal

Primary receipts of wheat continue to be light, only 316,000 bushels today against 594,000 last year. Stocks continue to decrease very heavily; Kansas City, Duluth and Minneapolis so far this week reporting a decrease of 981,000 bushels with only half the week gone; thus making it quite plain that the visible supply next Monday will show another large decrease.

Corn showed more or less weakness during the whole session; receipts were larger at 91 cars and the demand rather indifferent. Hogs were somewhat higher, but they will have to advance a good deal before feeding will again become profitable. At the close corn showed a decline of 5/8¢ per bushel.

Oats and rye closed lower in sympathy with the sister cereals.

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FORT WORTH GRAIN AND COTTON EX.

January 19, 1934.

The chief stimulant today in the cereal markets, as well as cotton and stocks, was the sudden change in the dollar sterling exchange. Before the opening the price had advanced about 10 points from the previous day's low quotation, which completely changed the bearish feeling which existed yesterday. As we have pointed out before, little attention is now being paid to the price of gold, as it is absolutely stabilized here for the present. We presume also that the English price will not change very much; if it should decline too much it will be held up by purchases from here. It is not likely that the price of gold in England at any time will go higher than ours. So this will no longer be a factor. We assume that the sterling exchange after a few days will find its level, and that fluctuations in wheat will depend entirely on conditions pertaining to the cereal itself.

We, therefore, have to consider the better milling demand, and in consequence a decrease of stocks, which will necessitate a gradual covering of hedges which might average a couple million bushels a week until the end of the season. So far this week at three points alone, Kansas City, Duluth and Minneapolis, there was a net decrease of 1,360,000 bushels. However, we think this is rather accidental and will not continue at that rate. Also the outlook for the new crop will be very important, and as a rule our sharpest fluctuations come with crop scares. There is a foundation for a scare this year, but whether or not it will materialize nobody can tell. The drought in the southwest continues, and at present there are no indications or predictions of any immediate change. This sometimes changes within twenty-four hours, but it must be very closely watched. While a very poor crop would almost put us on a domestic basis, a normal crop, or anything above that, would not make us independent of Europe. We, therefore, have to consider the fact that Liverpool May today is selling for more than 23¢ under our May wheat; and the price of their wheat expressed in gold value is equal to about 42¢ per bushel. When one bears in mind that a number of countries are still on the gold basis, such as Italy, France, Holland, etc., certainly this wheat which is the guide for all of Europe looks extraordinarily cheap compared with United States wheat, although on a gold basis we are really down to about 54¢ a bushel.

Primary receipts were somewhat larger, but we think this is partly accidental, and there must have been a movement from some primary market as the farmer is not selling very freely at the present time. Receipts were 455,000 bushels, a little larger than last year when they were 425,000 bushels.

There is no general interest yet in wheat speculation; trade is mostly local, and therefore the trend changes very quickly when outsiders do not come to the relief of the local scalper after he has accumulated large lines which he does not care to carry over to the next day. At the close there was an advance in wheat futures of 1 5/8¢ per bushel.

Corn receipts were considerably larger today at about 150 cars, but new offerings were light. Nevertheless the primary movement, 706,000 bushels, exceeded that of the previous season when receipts were only 565,000 bushels and when the crop was much larger. There was no enthusiasm at all shown for this cereal; prices showed small fluctuations, and the close was 1/2¢ per bushel higher.

The same can be said more of less of oats and rye.

There were some rumors again today that the negotiations for large quantities of cotton to Russia were progressing very well, and it is quite likely that before very long same will be sold to that country.

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CHICAGO January 20, 1934.

The wheat market was not subject to many outside influences today. Cables are being entirely ignored, the price for gold in London was a trifle cheaper, and sterling exchange declined again to about $5.00; but the changes were comparatively so small that they deserved little attention.

As major factors, the speculative world has clearly in mind the fact that inasmuch as the gold price in this country has been raised two-thirds of its former value, judging from past experience, everything else gradually ought to advance proportionately with only such exceptions where there are special conditions. Such advances may come only very gradually and not uniformly. In France, for instance, where the currency had been depreciated to one-fifth of its former value nothing escaped it; it took a long time before professional fees were raised in the same degree, also telephone and telegraph charges as well as postage stamps, but today everything is selling just five times as high in France as it did in 1914. Even railroad fares and freight rates which for many reasons could not be boosted immediately, did not escape the final fate. If this assumption is correct, gradually a higher price level for everything is bound to come; and the only question will be to guess the right time. As a matter of fact, much of this has already been discounted, and should we have a favorable wheat crop it may easily take another year before the full effect of inflation is materialized.

However, at the present time prospects are still not very bright on account of the continued drought in the southwest; but the outlook is certainly better than it was a year ago. By way of comparison we want to give the amount of rainfall in inches this year from December 1st to date compared with last year in various territories in the southwest:

	This season Dec.1, to date 1934	Last season Dec.1st to Jan.31,1933.
No. Platte	1.11	.24
Goodland	1.06	.15
Dodge City	1.03	.19
Amarillo	.08	.95
Wichita	2.49	1.70
Oklahoma City	3.39	4.80
Kansas City	1.84	3.03
Concordia	1.58	.47
	No temperatures below 10 above all southwest	Temperature zero to 10 below from 2 to 5 days this period.

Speculative trade again today was extraordinarily light, and as the milling demand has also temporarily stopped the wheat market sagged, finally showing a decline of about 1/2¢ per bushel.

Primary receipts were a trifle better, 395,000 bushels compared with 413,000 last year; and although there were no clearances, stocks at the three large centers, Kansas City, Duluth and Minneapolis, showing a net decrease so far this week of 1,471,000 bushels, thus indicating plainly that the visible supply on Monday will decrease heavily.

There were rumors again that we are nearing an import basis for rye from abroad, which also had a depressing effect all around. Rye declined more than the other cereals.

The situation in Canada is also not clearing up any; and since August 1st, starting of their crop year, or in 24 weeks, exports show a decline of 46,750,000 bushels compared with the previous season.

Corn receipts were again much heavier, 136 cars, being another great disappointment to the bull. The market acted very weak with buyers relatively scarce. Primary receipts were also larger than in 1933, today being 640,000 bushels versus 455,000 a year ago. However, we anticipate that on any decline in the market the incoming movement will diminish, and we still believe that corn will sell higher later on.

Oats were neglected and a trifle lower.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO January 22, 1934.

There was absolutely nothing new today in a monetary way, sterling exchange hardly fluctuated and gold price was unchanged. As same seems to be fixed here now, it is fair to assume that from now on fluctuations in cereals will depend almost entirely on their own conditions. Later on the case might be different. Everybody we think is pretty well agreed that for the near-term period there will be good business on account of the great amounts of money which are being spent, and which means a more liberal consumption of flour. Opinions, however, are more divided as to what will happen afterwards. There are those who believe that the impetus which will be given to start improved business conditions will continue after the expenditures cease; but the more pessimistic ones are inclined to think that as soon as government spending stops unemployment will increase again on a large scale, more inflation might be desired, and entirely new questions might come to the front.

There is no encouragement whatever for the wheat buyer as far as European news is concerned. Liverpool wheat futures have had the narrowest range for several months in spite of the fact that week after week world shipments were very small, and much lighter than same period during the last five years or more. Today they amounted to only 12,220,000 bushels compared with 16,261,000 a year ago. The decrease comes from North America and Argentine, as well as Australia; the only country at the present time which is shipping a little more is Russia, although her contributions were extremely light last year and ordinarily would not cut much of a figure. The visible supply, however, showed a very large decrease, 3,916,000 bushels versus 3,393,000 in 1933, when it was also quite considerable. The milling demand is not as brisk as redently; and while we may look forward to reasonable decreases right along until the start of the new crop, we believe that quantities to be carried over into the next crop will be quite large.

There were again no rains in the southwest, and as time goes on the weather for the growing crop will be the important factor. If the past is any good criterion of what will happen in the future, it is well to bear in mind that most of our sharp bulges come from either a bad crop outlook in Europe or in this country. Rising prices which came thru inflation last July, naturally were an exception. It will be very difficult to tell much about our winter wheat crop until next March, although if the drought continues, anticipations that there will be more or less damage might bring in buying orders before that time. The situation is by no means critical; and we have seen similar conditions as existing now when a good snowfall early in March changed the whole picture.

Primary receipts were a trifle better today- 617,000 bushels against 595,000 last year. At the close the wheat market showed a decline of 7/8¢ per bushel.

Trade in corn was extremely light, but the fact that receipts are keeping up pretty well, being 175 cars today, and the further fact that primary receipts are considerably exceeding those of a year ago, caused a rather bearish feeling, although the final decline amounted to only 1/4¢ a bushel.

Oats and rye were both lower, but trade infinitesimally small.

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FORT WORTH GRAIN AND COTTON EX.

January 23, 1934.

As we anticipated, it daily looks more as if the psychological effect of inflation has lost its momentum as far as cereals are concerned. Nobody expects any change in the gold price here for a long time to come, and we would be much surprised if sterling exchange would vary greatly from the present value of $5.00. The farmer, while he reads in the papers that the dollar will be devalued to 60 cents, does not feel it very seriously. His labor is still very cheap, the articles he buys have advanced some, but not to such an extent that 90-cent wheat does not look good to him considering the low prices he had to take for a number of years, and his freight rates have not yet been raised. Therefore, the net price he realizes, in our opinion, would be sufficiently attractive so that with any kind of a normal crop he would be a free seller, and unless inducements are held out by the government he would rather increase his acreage then decrease it. Of course, this might all change should the heavy financing upset present calculations, or should stronger inflationary measures be enacted by congress; but at the moment we believe wheat price-changes will depend more upon weather and supply and demand conditions.

There were again no rains in the southwest, and in addition reports came from various parts of Kansas about dust storms, some even going as far as claiming that in sections irreparable damage is being done. Also weather in Canada is very cold, which some fear might move in this direction, and with no snow covering anywhere in this country any extremely low temperatures would cause great apprehension. Generally speaking it is a little early for crop scares to bring about great speculative buying waves; but to say the least they will create a firmer undertone; and this is what happened today. After an early break in sympathy with a weaker cotton and stock market wheat rallied and closed 3/4¢ higher.

Statistical news was mostly ignored; trade is entirely indifferent to cables, which were a trifle lower. Primary receipts were extremely small, only 210,000 bushels compared with 340,000 last year. Stocks at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 326,000 bushels, the biggest decrease coming from Minneapolis where the demand largely exceeds farmers' deliveries.

Corn showed weakness at the start; sales overnight to consumers having been very small, but carlot receipts were also light, being 76 cars. Nevertheless, the primary movement at all markets exceeds that of last season, today being 673,000 bushels against 352,000 a year ago. Trade was inactive, and when wheat firmed up corn sympathised with it and closed 1-cent per bushel higher.

Rye prices also improved. The oats demand remains surprisingly small, and with the visible supply still large it is difficult to create much interest.

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CHICAGO January 24th, 1934.

The wheat speculator is no longer inquiring about the price of gold or of sterling exchange as it is assumed that for the present the sharp fluctuations which had existed in foreign exchanges are a matter of the past; and the dollar is about stabilized at the rate of five to one compared to the pound. As far as cables on wheat fluctuations are concerned, they are also of no significance, as our price level compared with other countries is such that we are about as near an import as an export basis, but far from either. We would have to have a 20-cent a bushel fluctuation either way to consummate transactions with foreign countries. If foreign statistics are watched at all, it is done as a matter of habit and not because they have any great influence at the present time. We, therefore, quote, as a matter of interest that total exports from North America this week were a little larger than last season, being 5,192,000 bushels against 4,214,000 the previous season; but the total up to date since July 1st is only 120,000,000 bushels versus 181,000,000, showing a great deficiency. However, everybody is most intensely interested in anything and everything which might affect our home production, because in the last analysis unless foreign conditions change very materially we shall have to depend upon home consumption to absorb the crop which is about to be raised. What that will be depends upon the weather; and inasmuch as the greatest drawback to normal yields so far has been the great drought in the southwest, everybody is wondering whether the change in the barometric lines is indicating an early and sufficient rainfall in Kansas and Nebraska. The official prediction for these two states is for possible moisture, leaving great doubts as to whether rain or snow will come in ample quantities to relieve the situation even partially. It was somewhat of a damper again, however, to the bullish feeling which at times might have been created, with the firmer stock market and a better sentiment about general business.

The milling demand remains rather indifferent, and primary receipts were light, 414,000 bushels compared with 477,000 in 1933. There were no wheat clearances reported. Stocks at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 637,000 bushels, indicating another decrease in the visible supply next Monday, but probably not as large as the last one.

The trade was so light that after a session where prices had been lower than last night, up until about one o'clock, a few purchases on part of local shorts sufficed to bring about a moderate recovery, which however did not last and at the close the price level was 1/8¢ lower than yesterday.

Receipts of corn were 75 cars, and with the rather indifferent demand this is almost enough for requirements. Trade was also very light; yesterday's prices could not be maintained, and the close showed a decline of 1/4¢ per bushel.

Rye and oats also acted as if they had lost their best friends for the time being, with prices sagging slightly.

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January 25, 1934.

There was no particularly important news today either in the financial or the grain world. The discussions which are taking place in the Senate at the present time on the President's gold policy will not change the bill materially, and as soon as it is passed he will have tremendous powers, which in the future may materially affect our whole financial relationship with the balance of the world. We believe it is still the intention for the present to stabilize the dollar to the pound at about a five-to-one level, although today at times it went considerably below that. However, exchange operations which will be possible after the new bill is passed are not taking place as yet. Nevertheless, we believe that our government agencies are continually buying large quantities of gold abroad in order to maintain their price somewhere near our parity.

The present plans are all based on the fact that sometime within the next eighteen months our budget will be balanced, but when the Minneapolis-Tribune compiles figures showing that Federal funds to be released in the four states of Minnesota, South Dakota, North Dakota and Montana during 1933-1934 will total six hundred twenty six million dollars, of which one-third is to be direct aid and the balance for loans at low rates of interest, we wonder whether it will be possible to stop these large expenditures at will. The amount above stated is almost twice the farm income for those states in 1932, or three hundred eighty five million dollars. Consequently, it should never be forgotten that whether it is desired, or not inflation fears are justified, and we may again have periods when the public will indulge in extensive speculative ventures should they be afraid that common stocks and commodities are better investments than having money in the bank, should the currency of the realm lose its purchasing power.

There certainly were no signs of any fears today in this direction, as all cereals were considerably lower; but the decline today was in spite of the other possibility, as it daily becomes more apparent that we shall need either a better demand or a very poor crop later on to maintain our price level so much above the balance of the world.

We find that Russian and Black Sea shipments are considerably heavier than lately, this week amounting to 1,624,000 bushels, which with the increased movement from the Argentine and Australia make it very difficult for Canada to compete. As usual there were no clearances reported today. Primary receipts were light, 424,000 bushels compared with 521,000 a year ago. Stocks at Kansas City, Duluth and Minneapolis so far this week show a pretty fair decrease, amounting to 780,000 bushels, but yet very much smaller than last week. We doubt whether the visible supply will decrease as much next Monday as it did the week previous.

At the close wheat futures showed a decline of 1 3/8¢ per bushel.

Corn, oats and rye all shared the same fate as wheat. There is very little buying power at the present time, there are many tired longs, and there was liquidation in all pits, which brought about a much lower level. The power of absorption was very poor.

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January 26, 1934

Discussions in the Senate now center very largely upon the two billion dollar stabilization fund; and many fears are expressed as to the danger of giving complete control to any single individual, such as the Treasurer, as this fund could be used for many other purposes such as buying of government bonds, etc. We think, however, these fears are unfounded because we believe every cent will be needed to stabilize the gold price here and abroad without having much left for other purposes. It is reported that in one week, since President Roosevelt's dollar announcement came out, $40 million worth of gold had been purchased in London, and yet the price abroad has not advanced.

So far all the funds which have been appropriated to help commodity prices were used for purchases or loans in this country: such as wheat, cotton, hog products, corn, cheese, butter, eggs, etc. Now we deal with an international commodity such as gold, but the effects will not be any different, assuming the world considers the price too high. Even England was surprised, when she first went off the gold basis, that rupees in India rose accordingly, and India sent out one billion dollars worth of hoarded gold for sale to the English market. If gold remains unnaturally high, its consumption will decrease for arts, etc,; production will increase and it would not be surprising if the world's production of gold within a short time would be equal to one billion dollars a year at the enhanced price, and which might be available for this market.

The question which arises in the speculator's mind is: What will happen after the two billion dollar stabilization fund is all used and, with all the other undertakings, will it be possible to avoid extreme inflation? Under those circumstances, he is deterred from selling any commodities short even should he think that the statistical situation warrants lower prices. As the quantity of wheat which is actually hedged has been well placed, there is no particular pressure and markets are likely to continue to act in a very indifferent way, as they are now. Something more radical will have to happen to give a strong impetus in either direction.

There were some slight rains in the dry districts of Texas, but none in Kansas nor Nebraska. Therefore, the drought situation has not materially changed.

Primary receipts of wheat continue to be light, 453,000 bus. compared with 474,000 bushels last year. There were no wheat clearances. Stocks at Kansas City, Duluth and Minneapolis show a net decrease of 858,000 bushels; and it appears as though there will be a fair sized decrease next Monday in the visible supply, although nothing like the amount last week. Milling business in general is much poorer. Since we are within five months of harvesting a new crop, all eyes from now on will be turned to crop prospects; and any radical change might be quickly reflected in prices. At the close wheat showed an advance of 1/2 cent a bushel.

Corn receipts continue to be light; the demand is also very indifferent, and the trade was unimportant despite higher prices for hogs brought about by governmental buying. At the close corn was 1/4 cent bushel higher.

Oats and rye showed great strength and closed considerably higher.

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CHICAGO January 27, 1934.

Yesterday we expressed the opinion that while the stabilization fund of $2 billions looks very large, it is not impossible that it will be used up much faster for the purchase of gold abroad than was at first expected and that the portion left for buying government bonds and for other purchases might be of less importance than the many discussions in the Senate had led us to believe.

Today the newspapers are full of estimates as to the gold purchases already made abroad amounting to some $250 million, and yet the dollar shows almost the greatest strength since November 6th.

When recommending his new deal expedients, our President was very candid to designate them as experiments, promising that if they failed to work other measures would take their place: always keeping in mind that the essential aims in all his undertakings were to give employment to every worker in this country if possible, and to establish a higher level of prices, particularly for agricultural goods, as the deflation had gone too far.

Now that many of these emergency measures have become law and been tried, opinion is still divided whether or not they will work out satisfactorily; although we believe that if a vote were taken at the moment it would show the majorto be in favor of what has sc far been accomplished. Nevertheless, it is yet too soon to see how they will stand the test of time.

The grain trade in particular is studying these questions with much interest, for it is impossible to form positive opinions of the value of cereals without considering from every viewpoint what the AAA contemplates doing when the next wheat crop is harvested, especially should it again yield a surplus.

This naturally continues to create many uncertainties; and as long as there is no great precipitation in the southwest, those who have accumulated a line of wheat will not be anxious to dispose of same, thereby causing a reasonably firm undertone.

No attention whatever has been paid, (and yet we consider it quite important) to the announcement on part of the Emergency Relief Agency that it had completed its purchasing program and has taken around 15,000,000 bushels of wheat in the aggregate. Of this amount 10,000,000 bushels has already been converted into flour and shipped for relief purposes; the balance of it is to be disposed of before April 1st. At one time it was considered that this agency might absorb as much as 40,000,000 bushels of wheat, particularly as some of it had been given away to feeders; and anything so disposed of for animal feed would have increased the consumption accordingly. It is also to be considered that the remaining 5,000,000 bushels, which have not yet been distributed,are mostly in the way of futures in Chicago. Whenever they are sold and replaced with cash wheat we think there willbe hardly any big long in May wheat left. Assuming this view is correct, scattered holders may not be inclined to pay for deliveries in May wheat, preferring to change it over to July, which is obtainable at a discount. If this is the case, the chances for a change to a carrying charge from May to July would increase considerably.

Trade today was almost stagnant; and while futures advanced about 7/8¢ per bushel, the fluctuation really was meaningless, as it all came about through very small purchases on part of local traders. The way it looks to us the market would not have been in a position to absorb any fair-sized liquidation.

There were again no rains in the southwest, and the long-time weather prediction is not at all favorable for any moisture. On the other hand, temperatures have been, and are likely to be for the coming week, quite moderate; so we assume that so far winter killing in the eastern territory must be exceptionally small.

Primary receipts were fair, 509,000 bushels compared with 556,000 last year. No clearances were reported from the Atlantic or Gulf ports; and stocks at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 908,000 bushels. This is quite considerable, yet very much less than the previous week, and we doubt whether the visible supply on Monday will decrease more than one-half or two-thirds of what it did last Monday.

The U. S. Department of Agriculture issued the official wheat and flour exports for the month of December, which were very large- over 6,799,000 bushels, almost double of last year. However, we must assume that almost every bushel was shipped from the Pacific coast, and must be considered as forced sales, as the transactions could not have taken place except thru a large subsidy on part of government agencies. The total exportations of wheat and flour this year were only 14,544,000 bushels, but this amount includes flour made out of Canadian wheat- about 6,000,000 bushels- which was imported; so the net is only 8,500,000 bushels, leaving only a very small quantity from all places except the Pacific coast.

The fluctuations in corn, oats and rye were of the most negligible character, and price variations at a minimum.

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CHICAGO January 29th, 1934.

The gold bill which is about to be passed by both houses, and will soon become a law, is without a question of a doubt the most important domestic legislation which has ever been enacted in this country. Some of the effects are immediate, and in fact, may have already been discounted; some of them may not make themselves felt for a number of years. The proximate effects of a devaluation to a 60-cent dollar are: a decrease in purchasing power of our money abroad of say on 40 billion dollars bank deposits, about 16 billion dollars; and equal percentage depreciation in the value of income from government, municipal and domestic bonds, etc; so there will finally be a large reduction in the purchasing power of the saving-classes, which as a general rule constitute the middle-classes of the people. On the other hand, an easing in mortgage debts is taking place to the extent that it will be easier to pay the interest on same. This is really what was intended - it means a redistribution of wealth. The advance in prices which always has followed in the past in every country with an increase in the price of gold and the depreciation of the currency is, however, not automatic; and in a country like ours where the foreign trade forms such a small percentage of the total, and is so insignificant compared with the domestic turnover, the rise in commodities and everything else may take years.

However, in our case it may be accelerated because we are not relying entirely on the depreciation of the currency for the rise of all values, but in addition we have laid the foundation for a credit inflation, which is almost sure to come; and furthermore, with the NRA and the AAA actively engaged, the one in raising wages, the other in curtailing acreages and raising the price of commodities, the more remote future is almost sure to bring us sharp advances unless all plans go astray. With this background wheat prices advance easily on the slightest provocation, but yet with today's exception, it seems to be difficult to bring about sharp advances and maintain them, because this particular commodity is burdened with an unusual condition; that prices are already more than 20 cents a bushel higher than world's level, and that available stocks are still very large, which in case of a good crop might be augmented still further;and therefore this may be one of the last commodities which will receive the extreme benefit from the inflationary measures.

There was a sudden drop in temperatures all over the country, with extreme cold weather in the soft winter wheat belt, which probably will do some damage, or at least reduce the vitality of the plant. In the southwest there was continued dryness, and the weather could not be considered differently than unfavorable. A good advance was quite natural and this was accomplished in spite of trade not having been very active. The close showed active wheat futures have advanced 2 3/8¢ over Saturday.

The visible supply showed another large decrease, although not quite as much as the previous week, 2,846,000 bushels compared with 1,751,000 bushels last year; and we now have 41,000,000 bushels less in sight than in 1933. Primary receipts are rather light, 600,000 bushels against 890,000 last year, and wheat and flour clearances were absolutely absent.

The strength in cotton was at times a great help to bullish sentiment in cereals, but cotton is in a much more favorable position. Inasmuch as there is no other commodity raised in this country which we export on such a large scale as cotton, and where the world is so dependent on our supplies, same would benefit more from inflation, or a curtailed acreage which is in sight, than wheat which is raised all over the world.

A world's wheat conference is taking place now with the hopes again of establishing a minimum price, but the fact that Liverpool hardly responded and showed only trifling advance in their futures shows that there is not much confidence that any good results can be attained at the present time.

Corn and oats were without much interest until extreme advances were reached in wheat, when they sympathised with it to some extent. The corn visible supply showed a small increase and the fact that receipts are larger than expected, about 143 cars, had a very dampening effect. Rye responded only moderately, there being some fears that on sharp advances in price there might be further importations from Europe. Oats closed somewhat higher.

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CHICAGO January 30th, 1934.

Everybody expects an immediate devaluation of the dollar to 60 cents by roclamation of the president. While this really would not create a new situaion, foreign exchanges having already adjusted themselves more or less to that asis, and all calculations recently having been made on that assumption, yet it ay be well to recapitulate what this will mean in the future. It established he actual value of gold in this country at a level two-thirds higher than it was efore; and the Treasury is actually willing to buy all the newly mined gold in his country at this advance, and presumably will buy the foreign gold at about ts equivalent. Inasmuch as all import and export transactions are finally figured n the value of gold, it is very clear that all such world articles should finally ell 66 2/3 per cent higher than the price which they would bring otherwise had ur gold policy not been changed. There are comparatively few commodities hich may be called entirely domestic, but even those are bound to be affected ndirectly by the level of price existing for other articles. Therefore, at least s far as raw materials are concerned, we must assume that a further upward adustment of prices might take place. Naturally there will be exceptions where pecial conditions temporarily create an excess supply compared to the demand. t is also well to bear in mind that manufactured articles will not rise equally ecause wages will follow only slowly, as will also interest on newly issued bonds nd mortgages, and overhead charges for a while will remain more or less stationary.

As far as judging what the price of wheat should be in the immediate or ore distant future, it would always require the mind of a superman to guess it. here was a time when supplies were so unwieldly, and when there were carryingharges for months and years regularly, that it was always a foregone conclusion hat buying and holding wheat would be an unprofitable venture. This has changed, owever, to the extent that supply and demand in this country is somewhat more venly balanced and it will make all the difference in the world whether the coming rop will be 100 million bushels more or less, and nobody as yet can predict hether the lower or higher yields will be realized. It will all depend upon the eather, the amount of rainfall and the science to predict what weather conditions ill be during the next few months has not yet been developed.

There are other conditions which might upset well-formed calculations, such s the London wheat conference, although we, ourselves, take no stock in its reults. For the present there seems to be lots of oratory and no signs that the arious nations will come to any agreement. An English authority once made the ollowing statement, "Conferences of this kind are good, desirable institutions f they achieve results. Otherwise they only fill the people of the world with alse hopes, followed by even more intense disappointment and despair". We all now that the world war is still going on-- economic battles having taken the lace of high explosives. There are still other new considerations which must be hought of: The AAA is still bent on reducing acreages, having other schemes in ind like compulsory reduction of wheat planting, etc; and to offset such efforts he farmer is bent more and more on increasing his production per acre all he can. he Journal of Commerce published an article some time ago, claiming that in nine outhern states in which fertilizer is generally used in cotton growing, fertilizer ag sales for December totaled 126,000 short tons against 36,000 a year ago, 9,000 two years ago, and 28,000 three years ago. With wheat selling at 93 cents, hich is a satisfactory price to the farmer, can anyone doubt that the same thing ill happen, and that better cultivation and more fertilizers might with reasonable eather largely offset a decreased acreage?

The influence today on prices was the continued dry weather everywhere with ow temperatures, although the prediction is for a warming-up all around. Milling emand continues to be very moderate, and stocks are not decreasing as fast as hey did the past few weeks-- the decrease so far this week being only 217,000 ushels at Kansas City, Duluth and Minneapolis. As heretofore there were no learances. Primary receipts were 246,000 bushels against 352,000 a year ago. We elieve that for the present the weather will remain the important factor. At the lose wheat futures showed an advance of 1/4¢ per bushel compared with yesterday.

Corn receipts were 71 cars, apparently sufficient for the demand; the maret acted somewhat tired and draggy, although fluctuations were very unimportant. his also refers to oats and rye.

Cotton keeps reasonably firm, the impression being that any further inlationary measures will be reflected in the price; also the more money the overnment spends the greater the consumption of cotton goods.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO January 31st, 1934.

Now that the President has signed the gold bill and it has be- ome law, the financial world is hourly expecting a further proclama- ion telling what application will be made of the new powers thus con- erred upon him and upon the Secretary of the Treasury. It is ap- ropriate, therefore, to have a real and practical conception of what he dollar meant during the past hundred years and more. Although he ordinary citizen did not bother much about the technique of the uestion, to the financier, and particularly the one engaged in inter- ational transactions, the dollar meant the equivalent of 3.22 grains of fine gold.

There have been times in our history when we had to go off the old basis because our credit was not good, and especially because we ould not redeem our obligations in gold. This was notably true dur- ng and after the Civil war. However, no change was made then in the old content of the dollar, and after an interval of eighteen years, n 1879, gold payments were resumed. If the gold content of the dollar s now reduced by 40 per cent, history is being made in the United tates; all comparisons with foreign countries are impossible; be- ause, while some of them went through the same experiment, it was ot done as a matter of expediency merely, but of stern necessity ecause they were impoverished and helpless. There has, however, een no loss of faith in our wealth and potential future prosperity.

As a practical question, of course, the same number of dollars n the future will not have as much exchangeable value. This fact s so fully recognized that it has shown its effect in higher com- odity prices ever since the new policy was first contemplated.

From the foregoing it becomes quite clear that in the future ur whole price structure on everything must be entirely different rom what it was during the past hundred years, as the standard for easurement is not the same; and of course is bound to result in igher prices. How much of it has already been discounted is left to he individual to guess, but the price advance in gold equal to two- hirds of its former value is certainly very considerable, and there- ore must be far-reaching in the end. As all this had been known or some time it had no immediate effect on markets today. In fact, he wheat market was lower; probably a readjustment after a four-day dvamce.

The weather continues to be unfavorable, and there were quite few reports received from the southwest about dust storms and ex- reme dryness. We believe that as long as this drought continues here will not be any extensive decline in price; but we are not pre- ared to say what might happen should the southwestn territory be isited with abundant snowfall within the next few weeks.

The milling demand keeps very indifferent, and stocks at erminal points are not decreasing as fast as heretofore; the de- rease so far this week at Kansas City, Duluth and Minneapolis being 65,000 bushels. Primary receipts are still light, 386,000 bushels ompared with 400,000 last year. Again no clearances whatsoever were eported. As a matter of fact, even Canada, where wheat is selling t 22 to 23¢ below ours, with better quality, is disposing of only mall quantities to Europe. All North American shipments for the ast week, according to Bradstreet, were 3,288,000 bushels versus ,192,000 a week ago, and 3,500,000 bushels same period last year. t the close the wheat market showed a decline of 1 1/8¢ per bushel.

Corn, oats and rye were weaker, but showed some recuperation hen wheat advanced from its low point, of about 3/4¢ a bushel.

We still believe that cotton will receive the greatest benefits f all commodities from inflationary measures, and also from the fact hat every effort is being made to have as small an acreage next year s possible.

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CHICAGO February 1st, 1934.

Old Gold Dollar, who would have celebrated his 100th birthday on June 28, 1934, died yesterday after a respected and successful career throughout. The end was not unexpected, as he had been in a rather enfeebled condition for some months past. His enemies attributed to him the miseries occasioned by the world war and its aftermath. His successor, who immediately stepped into the breach, has not nearly his vitality nor strength, containing only 15 5/21 grains of 9/10th fine gold against 25.8 grains of the same fineness, so he will be unable to wield the same power, or to command or receive the same recognition as did his predecessor.

The fact that the gold price here was simultaneously raised to $35.00 per ounce (to which England immediately responded) shows very clearly that we are still linked to gold and that the new dollar will not have the same purchasing power as did the old one, the appreciation in the gold price being 70 per cent. As a matter of fact, the two will differ so greatly in every respect as to have no similarity beyond the name. No economist or statistician of the future will dare make comparisons with prices which prevailed during the past hundred years without dwelling on the fact that we are now dealing with a dollar of a different standard.

We have not the slightest doubt that Professor Warren's theories as to the effect on rising prices are absolutely correct and will work out as he has described. This, however, may take time. Further, it must be considered that even while the old gold dollar was stable for a hundred years we often had sharp price fluctuation; there being other factors to influence it, such as short or large crops, improvement or decline of trade in foreign countries; all of which have their bearing; but, nevertheless, depreciation in our currency will be an additional stimulating factor until it has been fully discounted.

England recognizes this situation so thoroughly that openly in Parliament the Chancellor declared that at present they do not want any discussion about stabilization; not until there has been some stabilization of the American price level. The currency agreement, independent of the realities relative to the price level, they believe would be unworkable. In other words, they feel so sure that our price level must advance that they are willing to wait until this comes about; because whenever it does, the higher price level will offset the advantages gained in the export business thru currency devaluation.

As these facts penetrate more deeply into the mind of everybody, it is reasonable to look forward to increased speculation; and as far as Wall Street is concerned, it already has taken place, and a general rising market occurred. Same also refers to cotton. While wheat was somewhat higher, the improvement was not in proportion, but this is due to a number of inherent weak features affecting that commodity. The fact that, in spite of the 42¢ per bushel duty, we are almost on an importing basis for Argentine wheat to the Seaboard, was generally commented upon as showing our extraordinarily high level compared with the balance of the world.

On the other hand, the drought continues, and there was no precipitation anywhere. As long as this situation lasts more apprehension will be felt from day to day. The milling demand remains rather poor. Primary receipts were actually larger than last year, being today 488,000 bushels against 415,000 same week a year ago. Stocks of wheat at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 427,000 bushels, which is much less than last week. Wheat futures at the close were practically unchanged.

As a favorable item, as far as Europe is concerned, might we mention the very light shipments from Russia and the Black Sea-- the total being only 912,000 bushels.

Corn and oats, which are considered almost domestic propositions, benefited but little, closing almost unchanged. However, rye showed an advance of 1/2¢ per bushel.

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CHICAGO February 2, 1934.

The advance overnight in the gold price at London of 4s per unce, almost 3 per cent, and the decline in sterling exchange to bout $4.92, are a logical outcome of our new gold policy. As soon s the administration declared its intention to buy any and all gold t $35.00 an ounce, it became evident that from now on this must be he world price, as long as our government has the power and the will o adhere to its program. This adjustment now having taken place e expect a regular stabilized market in both gold and sterling.

In practical finance the latest exchange prices on sterling ean that England as well as all countries comprising the sterling rea (and this constitutes a large part of the world) have now depreciated their currencies about as much as ours. Thus they are all n the same relative position as before they went off the gold basis, s far as advantages for export business are concerned.

The situation, however, is still different as regards France, he largest unit still on the gold basis, and the smaller countries hich can only remain so as long as France does not abandon her position. Whether she will do so and whether she can survive the general endency to devalue will remain an open question. France is a wonderully self-contained country. She not only produces almost everyhing necessary for home consumption, as far as human and animal ood is concerned, but in addition raises large quantities of wine or export to many countries. Her general export business to the xtent of about 50 per cent is done with her colonies, and her relaionship to these colonies is so vastly different from that of Engand to her outlying possessions that she is indisputable mistress f that commerce. French Morocco, for instance, has not a Premier ho can say to the mother country what the tariffs should or should ot be; nor is France under the necessity of making reciprocal trade rrangements with her colonies as England must do with Canada and thers. The possibility remains, therefore, that France, whose popuation is so strongly opposed to devaluation because of the suffering entailed when the currency was reduced in the proportion of to 1, may survive the present struggle until finally world stabilzation can take place.

Wheat as far as the devaluation of the dollar is concerned, has robably discounted what has been done so far. However, there are any other factors entering into the calculation which make it posible to see further advances or declines; and nobody can be quite ure which way the wind will blow. While Professor Warren's theory s to rising prices following the reduction of the gold content of he dollar, is undoubtedly correct, we have not yet heard an expresion on his part whether the volume of business will follow in proortion. As the year 1926 is usually referred to as the goal of the dministration, at which time wheat brought a very high price, let s recapitulate what happened then. Prices had sharply advanced on ccount of the excellent demand and the large volume of business. If e now produce an artificial price, does it necessarily follow that he demand will also rise equally; and unless it does, can the higher rice be maintained? The Secretary of Agriculture must have this n mind, as he has under contemplation now the bringing about of a urther reduction in wheat acreage should Nature be so kind as to ive us less than the ordinary amount of winter killing. Of course, t will not be quite so easy to have the farmer plow up his wheat and at a price of 90¢ per bushel; and it would take a great deal f governmental money to bring this about.

The wheat market acted weak during most of the session, chiefly n account of lack of speculative buying. Traders are more inclined oward the stock exchange, where there is more action; all grain pits re badly neglected. Even the fact that the drought in the southwest ontinues with no apparent sigh of any change could not enlive our arkets.

The wheat demand continues to be very indifferent, and stocks re decreasing much less this week than the previous one. So far this eek stocks at Kansas City, Duluth and Minneapolis show a net decrease f only 550,000 bushels. Primary receipts were actually larger than year ago- being 473,000 bushels compared with 420,000 similar week n 1933. There were no wheat clearances reported. At the close here was a moderate decline in wheat compared with yesterday amounting to 1/2¢ per bushel.

Corn and oats continue to be neglected, with a weakening endency; while rye at times was reasonably firm, but trade in same lso very light.

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February 3, 1934

There was no news of any importance today in a monetary way, and we do not expect great changes for the present. It is only reasonable to expect that at some future time all nations will wish to return to a stable basis and from now on will probably direct their efforts toward a fair understanding among the large powers. Whatever that understanding may be, only one thing is certain from present indications: namely, that the Secretary of the Treasury, having made a profit of about $2,600,000,000 through the devaluation of our currency, will never willingly surrender that advantage. Consequently, whatever the outcome of negotiations, we can depend upon it that our dollar will remain on at least a 59 per cent basis. It might be lower, although not likely; but it cannot be higher.

On this premise, then, all values from now on must be figured in a proportion of 59 to 100. In other words, there must be a gradual appreciation of about 70 per cent of such values as otherwise would have prevailed. How much has so far been accomplished is difficult to figure out exactly; but there must be room upwards, as the level from which we started was extremely low and world's improvement justified some enhancement even without currency inflation.

Growing recognition of this fact has created considerable bullish enthusiasm in stocks and cotton, and some of the feeling has extended to grains; although, as wheat is so greatly above an export basis, price enhancement there is more uphill work. Meanwhile, conditions might so shape themselves that even wheat might receive more benefit in future, particularly should our crop be small enough to make us independent of an export outlet.

Another week has passed with almost no precipitation in the southwest, and the Santa Fe Railroad estimates that about one-third of the acreage in Kansas might be abandoned. The long-time weather prediction is not very favorable, and if correct it is not likely that we shall have much rain or snow during the coming week. There is still time for correction should relief come before too long.

Primary receipts of wheat were actually larger than last year, 463,000 bushels compared with 365,000. There were no clearances. Stocks at Kansas City, Minneapolis, and Duluth show a decrease of only 590,000 bushels, which is much less than last week; so we look for only a very moderate decrease in the visible supply on Monday.

At the close the wheat market showed an advance of 1¢ per bushel. Trade throughout the session was extremely light and unimportant. Europe, which at times has been a great factor, is abstaining almost entirely from speculative engagements.

Corn, oats, and rye received some help from the advance in wheat prices, but there was not much enthusiasm. Corn receipts are only fair and sufficient for the demand; but there is some hope that the advance in hog prices and the deterioration of the crop in the Argentine might change the outlook later on.

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CHICAGO February 5th, 1934.

The chief interest at the present time is the improved business situation, ıd many feel that at least temporary stabilization of money has been a step in the ight direction. Probably the considerations which motivated our President to ıis act were the desires to stabilize domestic prices and protect the foreign ɔmmerce of this country.

The fact that we are paying $35.00 per ounce for gold from practically all ources except hoarders, less possibly the minor costs of shipping, mint charges, c., is making it very attractive for cheaper gold abroad to seek its way to this ountry. Ships are being used to carry the precious metal in great quantities to nerican shores; and we are only wondering in our own mind, if finally we take the ılk of the gold supplies, whether this will not defeat some of the purposes ıich are anticipated; because if we eventually drain European countries of their ɔld it will make it more difficult for them to buy from us, as their means of payent will be greatly diminished.

Regardless of what the final outcome will be, one must admit that the efect upon business of the recent Washington developments is helpful. Not only in ıe way of monetary stabilization, but heavy governmental expenditures are throwing ınds into business, which makes very many enterprises extremely optimistic; and ıe most recent one to feel these benefits is the building and construction line. ıen, also, we are feeling to some extent the return of capital from abroad and ɔnsiderable money seems to be coming into the stock market, which is reflected in .gher prices for securities which continued again today.

The new policy of gold buying has, in our opinion, resulted because the ɔrmer method proved ineffective. In the first place, there were not sufficient ırchases undertaken abroad to bring up the world price of gold to ours, and as a esult our dollar failed to depreciate as rapidly as the gold price had been raised. e presume that under the new policy, with the further use of the stabilization ınd amounting to about $2 billion, there will be an effort to bring about a eater degree of stability to foreign exchanges.

Of course those people speculating in either securities or commodities are ɔndering whether the price relationships according to the new unit of money will e reflected quickly or slowly. It is also a question as to how much appreciation s already discounted in the price. History has shown, however, that in countries ike France where the monetary unit was actually changed, everything did not rise mediately in the same proportion, although finally this took place. We believe ıat an article like wheat which is already selling so high above competitors' leas, will be one of the last to be vitally affected; and while in the next two three years it will probably respond to the new measuring stick which is a cheapened dollar, the past few weeks have shown that despite the great strides ıde in the stock market wheat has advanced rather reluctantly. Of course, there ıs been a great deal of money made speculatively in securities, and if traders ecome imbued with the idea that crop scares warrant higher levels there is money ow in the hands of these people to renew their interest in wheat which existed ıst July and August.

At the present time there is a great deficiency of subsoil moisture over a ırge area of the winter wheat belt, and while the crop is still dormant, it mply means that if we get no snows of consequence this month it will require ıch more than the ordinary moisture later on. At best, a large crop is not ıdicated; and therefore material pressure on the market is not in sight without eather improvement. There is also the chance that later on the government might ıy up cultivated acreages in wheat as was done in cotton last year; although at ıe higher level it will require more money. There has been some talk also of porting grain in return for silver; so there are a great many political unertainties still in the market.

The visible supply of wheat decreased quite heavily, 2,846,000 bushels, and ıe total is 109,519,000 bushels, or about 42,000,000 bushels smaller than last ear. No wheat was cleared again, while a year ago we shipped 211,000 bushels. imary receipts were quite heavy- 917,000 bushels against 643,000 a year ago.

The best prices of the day were not maintained despite the great strength stocks, and we think this will continue to be the case unless there is a radical ange in the wheat news itself. Of course, later on during the crop scare period ıying power might easily develop.

Corn is suffering from the large visible supply, and again this week there ıs a small increase, with total stocks 33,000,000 bushels larger than in 1933. look for a wider carrying charge from May to July, which is not a particularly ıllish item, but on the other hand better hog prices have created a better ntiment.

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CHICAGO February 6, 1934.

The routine grain news is hardly being watched, and traders
re paying less attention to Liverpool quotations than at prac-
ically any time in history. The fact that most business enterprises
ave shown improvement is rather encouraging to grain markets, and
heat seems to derive most of its strength from the recent advances
n stocks rather than from any improved demand for the grain itself.
onsidering the very short crop in Kansas, premiums in the south-
est are far below what they ordinarily should be at this time of the
ear, and even though stocks are decreasing at a moderately good rate,
emand from the mills is only spasmodic in nature.

In taking a long-time view, one must naturally consider every-
hing on the new monetary base. A great many people trading in se-
urities and trying to arrive at actual values find that present
evels have not much more than discounted the devaluation of the dol-
ar. This is true particularly when it is considered that a great
any equities had been unduly depressed.

The gold price in London was somewhat lower today, and this in
urn brought a slightly higher sterling rate, although the fluctua-
ions are much narrower since the stabilization fund has been enacted.
e are not looking forward to any sudden changes in sterling since it
ust be remembered that the agio on gold amounting to more than
2 billion has been mostly set up as a fund to be used for the pur-
hase and sale of foreign exchange and government securities or for
urchases and sales of gold either at home or abroad; and, further,
or the maintenance of the credit of the government.

The first effects of stabilization have met with such optimis-
ic acclaim that we doubt whether there will be any further devalua-
ion for the time being, even though the President has the power to
urther devalue the dollar to 50 per cent of its former worth. It is
xpected, however, that the new stabilization fund will be used
reely; and it also anticipates that its use will cause a correspond-
ng expansion of bank cash. Some even go so far as to think that
his program will force credit inflation; although it is not expected
o force immediate further depreciation.

In this connection, Jesse Jones, before a group of bankers has
rged every institution to aid every deserving borrower in order to
bviate direct government aid. He claims that if the banks fail to
rasp the opportunity, or if they do not meet the responsibility with
oans to the public, then there is only one alternative: namely,
overnment lending. While he does not advocate loose credits or un-
ound banking, it seems to be the administration's plan to expand
anking credit; and therefore, co-operation from the lenders is now
eing sought.

The fact that the security market, after a rather brisk opening,
howed some hesitancy, caused liquidation by tired longs in wheat, and
t practically no time did the market get above yesterday's closing
rice. The final changes were slight, amounting to 1/8¢ per bushel
dvance.

Primary receipts were rather small, although larger than last
ear, being 317,000 bushels versus 289,000 at that time. Nothing was
leared from either coast, and the same condition prevailed a year
go. So far this week stocks of wheat at Kansas City, Duluth and
inneapolis show a total decrease of 159,000 bushels; on this basis
smaller shrinkage in the visible supply next Monday is indicated.

Corn was fairly firm considering the early weakness in wheat.
ossibly a higher hog market brought about a generally better senti-
ent in spite of the fact that the primary movement was considerably
arger than a year ago. Today's receipts were 730,000 bushels com-
ared to 434,000 in 1933. The yellow cereal has advanced only a
ent or two since the gold reserve act was introduced. During that
eriod wheat has possibly gone up about 8¢ per bushel; and this again
hows that even with inflationary tendencies everything will not rise
n the same proportion over a period of time.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO February 7, 1934.

The world gold price at London was down rather sharply this orning, and there is no particular way in which these daily fluctuaions may be explained. It must be borne in mind, however, that the orld production of gold in 1933 was estimated in excess of 24,000,000 unces, or about the same amount as in 1932. On basis of the preent price of $35 per ounce, it would figure approximately $850,000,00. This of course is a large amount; and even with our large purhases affords an opportunity for practically every country desiring o increase its metallic worth to get its share.

Everybody knows that it is the inherent right of governments o issue currency and to be the sole custodian and owner of the base r reserve of the precious metals underlying that currency. With hat goes also the right of governments to determine from time to ime the extent and the nature of the metallic reserve. For a period f nearly 100 years our dollar had always been stable, and in making rice comparisons commodities were based according to dollar value.

At the present time there has been more or less stability iven to our new dollar, although the President is authorized by resent legislation to fix the lower limit of permissible revaluaion at 50 per cent of its former worth. In other words, he is emowered to alter at his discretion the value of this new dollar from ime to time between the lower limit just mentioned and an upper imit of 60 per cent. Whether or not further advantage will be taken, f course,nobody can state with certainty at this writing; but it is enerally assumed, that unless the present program fails to turn out ccording to the wishes of those in power, for the present at least urther changes will be unimportant

There are presumably large funds, both here and in England, t work to prevent any drastic fluctuations in the comparative exhange rates. This morning, for instance, sterling became very trong, at one time advancing about 6 points above yesterday's figure, nly to react later; and our guess would be that these influences ere at work.

As far as actual grain news is concerned, stocks of wheat are till heavy and ample. Some statisticians have recently concluded hat the carryover on July 1st will be in the neighborhood of 240,000,00 bushels, which is almost double the amount that we used to carry ver from one crop to another before farm board operations in 1928; nd the main guess now is what the results of the winter wheat crop ill be.

It is very seldom that the month of February determines the une and July yields, and even on the assumption that the weather p to the present time has been worse than in an ordinary year, it ust not be forgotten that nature is often provident, and an excess f moisture from now on might change the picture. Of course, the bandoned acreage cannot be repaired; but from the writer's observaion the growth east of Dodge City is still in fairly good condition o respond to future precipitation. The map has the appearance of afording some moisture overnight. If these rains and snows occur they ight prove very beneficial; and with this in mind our market had a ather easy undertone despite early strength in other commodities uch as cotton and provisions.

As the session progressed the stock market turned very weak, nd as this has been a source of much bullish inspiration in grains, further setback occurred with wheat leading the race. The French isorders also tended to unsettle confidence. Primary receipts were uite heavy again, 548,000 bushels compared to 305,000 last year. ith these better arrivals stocks at Kansas City, Duluth and inneapolis show a total decrease of only 168,000 bushels so far his week. No wheat was cleared either today or a year ago; and we hink before long the lack of export business will come to the foreround, particularly with our market selling at 21¢ above Winnipeg. t should be remembered that their May wheat under 70¢ per bushel epresents an extremely low price, as they have had about as much inlation in that country as we have.

Corn held comparatively well. Receipts also were heavier than n 1933, and with the cash demand not being particularly brisk lower rices could come about should the wheat market decline further.

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CHICAGO February 8, 1934.

Gold abroad was slightly higher after yesterday's sharp decline.
erling, while a little stronger, was not much changed, and we be-
eve that there is more or less stability to English and American
rrencies at this time.

The administration's great aim is still in the direction of a
tter return to the farmer for his commodities, or at least to com-
nsate him in some way through the collection of processing taxes
order that his spending power will aid the general business re-
very through influencing more normal purchasing. In doing this,
must be remembered that finally the consumer pays the bill, and
gh cost of living is bound to result. We are conscious of the fact
at from 1928 price indices of the cost of living declined in each
ccessive year, and according to a compilation of figures in last
ek's Barron's Weekly, it is claimed that on basis of 100 percent in
28 living costs declined to practically 72 per cent by the middle
last year. We regarded this as an unhappy economic fact.

During this period costs in France advanced for two or three
ars after 1928, and since then declined to only 99.4 per cent dur-
g the middle of 1933. So that great nation, now troubled with dis-
ders, which maintained a high price-level, has found no cure-all
rough having used many of the doctrines which we are now attempt-
g. The reasons ascribed to the comparatively high prices in France,
cording to the article, were the delayed influence of the infla-
onary period and subsequent stabilization; direct measures of the
ench government to maintain prices at their inflated levels; and
irdly, repatriation of French capital from abroad together with in-
ow of foreign capital in search of safety.

We mention the above because during very many periods of our
n economic life the cry was for lower, not higher, cost of living.
ring at least two presidential campaigns which we recall, both
rties used the slogan of reducing high cost of living. It is an
disputable fact that the price level is the greatest regulator of
nsumption; and, while we do not doubt in any sense the ability to
vance costs through inflationary tendencies, it still remains a
estion whether volume of business and general velocity will ac-
mpany greatly increased prices.

As far as grain news was concerned, rains materialized in many
ctions of Texas and Oklahoma, and in the panhandle of Texas where
had been dry for many weeks this was particularly welcomed.
ere were only a few showers in Kansas, and to that extent a dis-
pointment to those who had thought yesterday that greater relief
ght be afforded.

The easier tone to the stock market, and slightly lower quota-
ons in cotton induced some liquidation at the opening, with May
eat going under 90¢ per bushel, which was the lowest figure in
veral days. From then on trading was rather unimportant, a gradual
covery with better security prices being recorded.

The one damper against speculative trading right now is the im-
nding regulartory legislation being discussed at Washington. No-
dy knows exactly what the outcome will be, but there is hesitancy
making new commitments.

The Department of Agriculture came out with a rather bearish
atement, claiming that on January 1st, 1934, there was approximate-
305 million bushels of wheat available for export or for carryover
the end of the current crop year. As exports are next to nothing
would follow that we will still have a very large carryover
ly 1st, 1934.

The final changes in wheat were not great, although the market
osed about 1/2¢ higher.

Primary receipts of wheat were 400,000 bushels, a large percent
ing in the northwest, compared with 195,000 last year. Stocks so
r this week at Kansas City, Duluth and Minneapolis show a total
crease of 285,000 bushels. No clearances were reported today against
,000 a year ago.

Corn was never very weak, a nd with the hog market showing great
rength there is a gradual readjustment between the items of animal
d feed. Generally speaking a 10 to 1 ratio is considered normal.
erefore, the recent advance in the hog market is encouraging to
lievers of higher corn prices, as heretofore feeding operations
uld not be conducted on a very favorable basis.

DAILY MARKET LETTER

MEMBERS:
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MMODITY EXCHANGE INC.

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO February 9th, 1934.

Monetary policies have lost their force as affecting markets,
least for the time being. Nobody besides the Treasury Department
d a few of the high officials knows how the stabilization of
billion is functioning; and the fact that gold abroad is ruling
out 50 cents per ounce cheaper than our domestic price would in-
cate that there are still ample supplies available if we want to
y on a heavier scale.

It becomes more apparent each day that if the monetary experi-
nts alone fail to work, the President is so committed to higher
mmodity prices that other measures will have to follow; and one
st always keep in mind that the essential aim of his undertakings
to establish a higher level of agricultural prices and to give
nployment to every worker in this country if possible. The latter
equires a certain amount of government expenditure, and from that
ewpoint, with increased borrowings from time to time, we can never
rget that inflationary policies are always with us! As far as
litical efforts are concerned, we have just seen how the Bankhead
ll, if finally enacted, will reduce the cotton acreage very con-
derably, which suggests that a similar policy might later be ap-
ied to wheat and corn acreages.

Furthermore, there is impending legislation with the thought
controlling large commitments, also recommending certain minimum
rginal requirements; and although this might not hurt the market
ring a quiet time, we believe that it is too quickly forgotten
at during a crop-moving period the speculator -- and even the short
ller-is the farmer's best friend. He is in a position to assume
e heavy burden at a time when the milling and export demand is insuf-
icient to absorb the load. If an even portion of wheat were sold
the farmer each month of the year, amd if the mills and exporters
uld buy 1/12 of their supplies each month, of course we would not
ve the problem that confronts us. We are still fearful that any
ttempts at further regulation will prove rather convincingly that
e market machinery built up in this country during the last 80 years
much more capable of handling crops than any theoretical or newly-
signed method.

As to winter wheat, the recent moisture in Texas and Oklahoma
s done much good. One of our close friends who keeps accurate
ack of conditions claims that yesterday's rain covered 2,500,000
res, mostly in Oklahoma, some in Texas, and a little in Kansas.
e overnight forecast indicates that western Kansas will receive
me rain, and there is a possibility that this might move eastward.
the meantime, we have advices that the crop around Goodland and
rth of that section is in good condition, as they had had subsoil
isture. They claim that there is no cause for worry unless very
gh winds should develop before precipitation is received. With
is in mind, we believe that the last two days have improved the
tlook; and with ample supplies of old wheat on hand and practically
export business, it is somewhat more difficult to boost wheat
ices than other commodities. It should not be forgotten that we
e still 20 to 25¢ above an export parity; and therefore it would
ake an unusually small crop next year or governmental aid to solve
ny of our problems. At the moment milling demand is very poor,
d stocks are decreasing rather slowly. So far at Kansas City,
luth and Minneapolis there has been a shrinkage this week of
21,000 bushels. No wheat was cleared either today or a year ago.
imary receipts of wheat keep up quite well as compared to last
ar-- 478,000 bushels now versus 317,000 at that time.

The trade is awaiting with interest the President's recommenda-
ions to Congress on security and commodity legislation; and they may
e a factor in tomorrow's market, as well as the quantity of moisture
ich is received in the southwest.

Corn was affected by the weakness of securities,and scored
ower quotations in sympathy with the leading cereal.

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DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO February 10th, 1934.

The overnight news from abroad was unimportant, and daily fluctuations both in sterling and in foreign gold price remain more or less stationary. Therefore, attention centered almost entirely upon the Washington news which came out late yesterday afternoon. The bill drawn up to curb speculation is considered very drastic in form, and the marginal requirements are such as to restrict in large measure speculative trades. The Chief Executive took the stand that exchanges were of vital importance to the country. While he wants legislation to protect investors it is not known exactly how he regards the stipulations of the bills now pending. He has not endorsed these measures, nor from the context of the newspapers, is he fully familiar with the bills; therefore, changes of major importance are still likely before the laws become finally enacted. His declaration that security and commodity exchanges are necessary and of definite value to commerce and agriculture, makes it highly possible that he will not desire anything that will hurt the functioning of these markets.

In any event, the first effect of the Washington announcement was to scare small traders, and the stock market was rather weak, which in turn affected grains. The latter, particularly wheat, had been influenced additionally by reports of precipitation in western Kansas, with some likelihood of quite a little snow over the weekend; and this together with the rains already received in Texas and Oklahoma, should brighten winter wheat prospects very materially.

Of course, with the changing policies of our administration it is difficult to do too much important planning ahead, and therefore, forecasts at this time are to a great extent guesswork. We believe, however, that much faith and hope is still placed upon the fact that large expenditures will still bring about increased turnover, also more employment and higher prices. The restraining feature, of course, is that government spending cannot go on forever, and therefore those looking more into the future are asking themselves the question: "What will the final outcome be?" The present plan anticipates that by the present drive the momentum will be sufficient for business enterprise to finally carry-on of its own volition.

Toward mid-session there was a general change of sentiment. It was figured that probably the most drastic phases of the new securities law were known and there might be improvement. It had also been felt that much of the weakness in stocks resulted from the cancellation of air-mail contracts, which made aviation stocks particularly weak. In any event, under the leadership of higher cotton prices there was a general advance, and at the last wheat was about 1/8¢ per bushel higher, and corn 1/2¢ per bushel higher.

It looks as though the visible supply on Tuesday will show only a moderate decrease, and so far this week stocks at Kansas City, Duluth and Minneapolis have diminished but 301,000 bushels. Primary receipts were much the same as last year-- 338,000 bushels today compared with 345,000 last year. No wheat was cleared today, while a year ago 28,000 bushels were shipped.

Corn suffered early from the overnight news, together with other cereals, but in spite of primary receipts, which were almost three times as large as last year, enjoyed a good recovery. The carrying charge from May to July remains about 2¢ difference, and we think with the large stocks there will be a gradual widening. Therefore, consider the July the better purchase.

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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO February 13th, 1934.

The excitement of last week in connection with cancellation
f air mail contracts, together with impending legislation for stock
xchanges, had a depressing effect. At a time when business is
hriving, individuals are doing less thinking than they were during
he depression, and not many are considering what the final effects
f the present stock exchange regulation will be. It is now ap-
arent that errors were committed in the Securities Act by throttling
ew financing; and possibly in their zeal to protect the innocent
nvestor in whose behalf we believe this new legislation is being
roposed, we fear that to some extent the function of exchanges will
lso be greatly hampered.

The next step in Washington is further financing by the
ederal government. Figures so far available show that the new deal
equires large outlays, and in the single month of January nearly a
illion dollars was spent. Obviously, the outpouring of this federal
asy money could have but one effect upon business, and placing funds
nto the hands of millions of Americans makes it possible for com-
ercial reports to make very optimistic showings.

In the meantime there is some uncertainty as to how far the
ommodity legislation will go, and it is to be hoped that the pro-
isions will not prove too drastic; because the speculator is nec-
ssarily an essential element to carry the load at the beginning of
he crop season when the burden due to farmers' heavy marketings is
oo great.

The administration, meanwhile, is going through with its other
lans and is still hoping for further acreage reduction to carry out
ts wheat program. The recent experiment has shown that new pro-
ucers are entering the field, and the actual acreage cut last fall
ust be very disappointing. In addition to this, consumption has not
ontinued at a normal rate due to the advance in prices plus the
0-cent per bushel processing tax. According to the Department of
griculture, the disappearance of wheat during the quarter from
ctober 1st to the end of December was 115,515,000 bushels compared
ith 142,444,000 the same quarter of 1932 and 175,866,000 bushels
or the like period of 1931.

Barron's Weekly states that there have been reports from Washington that the AAA is about to ask Congress for a $50,000,000 appropriation to cover benefit pa yments for further reduction of wheat a creages. This indicates that they will require money as a direct gift from the treasury not covered by processing taxes, which was not the intent of the original measure.

Moisture since last Saturday was quite good in portions of Colorado and western Kansas, where fairly heavy snows were reported. Elsewhere it was rather trifling, and to that extent a disappointment marketwise, as more had been indicated according to last Saturday's map. At any rate, many of the very dry sections were relieved; so at least there was some good accomplished.

The market fluctuated without any particular trend. During the past few sessions it has been under the great influence of the strength in cotton; and this commodity has recently sold at the highest level in over three years. Oscar Johnson, Manager of the AAA cotton pool, attacked the Bankhead bill as unnecessary; and with lower cotton prices resulting, wheat also declined from the best figures of the day.

The visible supply of wheat decreased 2,511,000 bushels, and total stocks are 107,000,000 bushels, or more than 42,000,000 bushels smaller than last year. No wheat was cleared either today or a year ago. Primary receipts were 852,000 bushels, while in 1933 they were 612,000 bushels.

Corn made a comparatively better showing than wheat. Hogs and cattle have been doing quite well lately, and this has proven an incentive to feeders; therefore, lent encouragement to a little more bullish activity in the yellow cereal.

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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

February 14th, 1934.

There was very little routine news to influence markets day. All of the $800,000,000 which the Treasury sought to raise s quickly sold yesterday, and according to the Secretary of the easury both issues had been well oversubscribed. The floating this new loan closes the second successful borrowing campaign nce the President announced that the government would have to ise $10 billions in addition to its tax revenues in order to pay s bills through the end of June.

With this new loan completed, the federal government owes proximately $26 billions, against the wartime peak of only $26½ llions; and with more financing soon to be done, no one can doubt e inflationary tendencies in the present situation.

Now as to the actual wheat condition, we believe that Mr. Farland, who has been prominent for several years with the nadian pool, makes a very scholarly resume. In a rather optimis-c tenor, discussing Canadian conditions, he emphasizes oversupply answer to those who have indicated underconsumption, stressing e danger of self-delusion. In what he calls "a serious reality", shows how oversupply has been a nightmare to the wheat producers. oting figures, he calls attention to increased world carry-overs om 529,000,000 bushels in 1925 to 1,106,000,000 bushels in 1933, an crease of more than 100 per cent. We tabulate these below.

1925 -	529,000,000 bus.
1926 -	611,000,000
1927 -	647,000,000
1928 -	705,000,000
1929 -	970,000,000
1930 -	922,000,000
1931 -	1,007,000,000
1932 -	996,000,000
1933 -	1,106,000,000

Mr. McFarland's statement further claims that the North erican wheat crop of 1933 was the most disastrous in the history of e continent; but, notwithstanding this unprecedented disaster, the orld production was larger than in any year prior to 1927 and actual-y exceeded the world's short crop of 1929. In quoting from the nstitute of Stanford University, he further says that the world arry-over on August 1, 1934, will be 986,000,000 bushels, or only ,000,000 bushels reduction from the average of the previous five ears, in spite of the North American crop disaster last year.

These statements and figures emphasize what we have been tating in our market letters of the past few weeks; and, while still indful of inflation and its attendant effects upon securities and ommodities, nevertheless, past experience has shown that everything ill not advance in the same proportion. We had inflation during the ar, and an article such as coffee, which was overproduced, could not scape the scourge of low prices and had difficulty in appreciating ich beyond 5¢ per pound for a long time.

There was very little trend to the wheat market, and while e undertone was firm at times it became weak also in sympathy with ower prices for cotton, clearly indicating the extremely light trade hich existed. The late bulge was caused by reports that the price f newly mined silver might be raised.

Stocks of wheat at Kansas City, Duluth and Minneapolis show a et decrease so far this week of 147,000 bushels. No wheat was clear-d either last year or today. Primary receipts amounted to 347,000 ushels compared with 235,000 a year ago.

Corn averaged somewhat lower during most of the session; rade was also very light, and the best prices were made at the last, when heat rallied.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO February 15th, 1934.

All markets firmed considerably yesterday on reports that the price of newly mined silver might soon be raised. While this has no confirmation as yet, it again was a reminder that further inflationary steps might be undertaken. The news in itself can hardly be regarded as very important, except to owners of mines who will benefit from the better price. We mentioned last December that silver production of this country was 24 million ounces during 1932, and a very small quantity in comparison with the entire world's production. Our importations greatly exceeded that amount, and speculators in the United States had accumulated probably 125 to 150 million ounces, which could certainly provide all the silver needed for moving pictures, arts, etc. for many years. Of course, an increased price is always stimulating and would no doubt increase mining activity. In 1923 the United States mines produced as much as 73 million ounces; so we must be prepared for larger accumulations if the price is radically raised.

In the meantime, there is no great improvement statistically in wheat. We feel certain that without further artificial help it will be difficult next July to maintain our price level of 23¢ per bushel above Winnipeg, which is the present premium.

Bradstreet's weekly clearances of wheat and flour from North America were 3,165,000 bushels compared with 5,248,000 a year ago; and the total since July 1st is 131,418,000 bushels against 195,576,000 last year, or a shrinkage of about 64,000,000 bushels. This week's estimated Argentine shipments are 4,225,000 bushels, which is somewhat smaller than in 1933, but quite ample. Black Sea shipments were 424,000 bushels this week, which is somewhat less than the previous season.

As far as European acreage is concerned, eleven of the large countries, exclusive of Russia, report 53,318,000 acres of winter wheat planted versus 55,554,000 a year ago; therefore, very little reduction indicated. Of course, two very good crops were harvested in Europe, and it is not likely that this will be repeated, but at the same time the disaster which befell the United States' crop will probably not occur either. Therefore, no strong deduction can be made at this time, and one must assume average conditions.

Rather early in the session Senator Bankhead declared that the administration was in favor of his bill, and this had a rather bullish effect upon cotton, which together with the higher stock market influenced grains. However, the last mentioned were rather reluctant in following; and we believe that this will continue to be the case, even during inflationary periods, as the domestic demand for wheat remains exceedingly light.

There is a net decrease shown of 116,000 bushels at Kansas City, Duluth and Minneapolis so far this week. There were no clearances reported today, nor a year ago. Primary receipts of wheat were 297,000 bushels compared with 386,000 last year.

Figures published by the Department of Agriculture show that total trades in wheat yesterday were in the neighborhood of 10 million bushels, which includes scalping operations. It is, therefore, apparent that with such light trade it is rather difficult to boost prices. At the same time with so much political action and promises for agricultural betterment, we doubt whether declines will be far-reaching either.

Corn and oats lagged somewhat, and despite their intrinsic merit they failed to show any great change for the day.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO February 16th, 1934.

Sterling showed a somewhat marked advance this morning; and
is, we believe, is more the result of the American dollar being
ushed down than anything else. Further inflationary talk, with the
ssibility that something might soon be announced on a silver
licy, were the contributing factors. Whether anything definite will
done on the silver question remains to be seen, but official Wash-
ngton seems to be more silver-minded than in many years; and we
uld not be surprised if details presumably now in negotiation
uld soon be brought to light.

People in this country have gradually been educated to think
different terms than formerly. When the farm board operations
und up at a cost of more than $500,000,000 to the taxpayers, some
lief was expressed in the thought that we had learned a lesson, and
rthermore, that the drain upon the federal purse would diminish.
rmerly half a billion dollars seemed like a gigantic sum of money;
t when we look back upon the month of January, when the federal
ceipts amounted to only $210,953,809 and with all emergency ex-
nditures the outlays amounted to $808,007,731, it is clearly to be
en that when new schemes are proposed we are again in the spending
od. It is not surprising, therefore, that this new spending which
relied upon to set business in motion, should have the desired ef-
ct which is being experienced by almost all classes of merchants.

There are numerous other plans afoot, and one contemplates
e formulation of a banking system whereby heavy industries can ob-
in capital as a further aid to general business recovery. At the
esent time we have a system of intermediate credit banks for
king loans to farmers, and talk is current that this same prin-
ple might be applied for use in business generally. Meanwhile,
e stock market is more or less under the influence of the improved
siness structure as well as the possibility for further inflation,
d this has been a major factor in furnishing firmness to wheat,
though the latter has been suffering from lack of speculative trade.

On its own merit, we would say that the crop outlook is pro-
bly worse in western Nebraska and the panhandle of Texas than in
her sections. There was no moisture of consequence overnight ex-
pt a few sprinkles in eastern Iowa, and nothing much indicated for
e next 24 hours. The winter wheat crop is still in a dormant
ate, therefore not suffering up to now, although more than average
ins will soon be needed if we are to secure fair-sized crops. With
is in mind, it is possible that adverse weather might temporarily
use higher markets; but barring heavy advances in foreign countries,
think there will be a limit to how far we may advance without some
lp from countries like Canada, Argentina, etc.

Trade again was extremely quiet, and we doubt if the volume
ceeded much that of the previous session, which the Department of
riculture estimated as a total of 13,000,000 bushels of actual
ade in all pits combined. This, however, is less than that which
single house could easily trade in during a busy session.

Stocks of wheat at Kansas City, Duluth and Minneapolis so far
is week show a net decrease of 198,000 bushels. No wheat was
eared today, while a year ago 24,000 bushels were shipped. Primary
ceipts amounted to 438,000 bushels compared with 346,000 a year ago.

Immediate forecasts are difficult to make, and obviously new
ading incentives are necessary. This applies not only to wheat,
t to corn, oats and rye alike. Cash demand is generally quiet for
l grains, and therefore in the absence of speculative demand there
nothing to take its place.

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DAILY MARKET LETTER

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DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO February 17th, 1934.

No additional changes in financial centers were reported overight, although comment still dwells upon the heavy arrivals of old from abroad. During the rush movement, with exact records not vailable, it is estimated that possibly as much as $300,000,000 orth of gold has moved to this country, including the large shipents of the past few days. To acquire these large amounts necesitates the purchase of foreign exchange in order to buy the metal n foreign capitals, and sterling this morning was again slightly igher than yesterday.

Besides the monetary program, we believe that before long uch will be heard about compulsory control of production; and it emains to be seen what attitude the farmers finally assume. Aleady there have been some attacks because of the fact that farmers o not like to have terms dictated to them. If marketing agreeents are finally reached, it will require that individual farmers e licensed; and in the case of failure to live up to their contracts ertain penalties would be imposed. In our opinion, through any such ethod of obtaining access to the farmers' books and forcing inunctions, heavy fines, etc., the plan would not work very long ithout great protest.

It might be interesting to note that the cash income of the merican farmer during 1933 was estimated by two research institutions t $4,607,000,000. This represents an increase of 17 per cent or 674,000,000 from the 1932 estimate. Of the latter amount $150,000,-00 represented government premiums, adjustment payments, and the ike, resulting from the processing tax. The per centage of income ncrease is small when it is considered that certain basic comodities such as wheat, cotton and corn have practically doubled in alue. It still goes to show that a great many articles have enanced very little which in turn brought down the general average.

The overnight news furnished somewhat of a surprise in that nexpected rains occurred in parts of the dry areas of western ansas and extending into Colorado. During the session rain was also eported in parts of Nebraska. The weather map indicates further eneral rains tonight over portions of Missouri, Nebraska and Kansas, nd if these materialize it will put an end to much of the appreension which has existed for some time.

It must be borne in mind that through the cash benefits which he farmers are receiving some of this money is going into the ground n the form of fertilizer to a larger extent than heretofore. In ight southern states, including the upper cotton-growing area, there ere 276,000 short tons of fertilizer sold in January, compared with 29,000 the corresponding month a year ago, and this is the largest otal since 1930. We might therefore expect that with normal weather etter yields will result; and while we have no definite data on heat, we assume that the same is also being done by those farmers.

Trade again was extremely light and figures show that in all its yesterday less than 10,000,000 bushels of grain were traded in; o whatever fluctuations come about in markets of this kind are more r less accidental.

Primary receipts were 433,000 bushels compared to 379,000 last ear. No wheat was cleared either today or a year ago, correspondng day. So far this week stocks of wheat at Kansas City, Duluth and inneapolis show a net decrease of 207,000 bushels, with Kansas City nd Duluth each actually showing slight increases.

Corn also provided only a quiet trading market. The time imit on corn loans was extended by the government from February 28th o March 31st.

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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO February 19, 1934.

Sterling was quite strong today, and we believe that this again s a reflection of cheaper dollar value with continued purchases broad of foreign exchanges in order to acquire more gold. In the eantime, less is heard regarding the financial matters, and more bout numerous reforms which are being planned in Washington. Everyne is more or less prepared now for further inflation, but momentariy, at least, not fear through currency but rather through credit; nd the latter of course is a somewhat slower process.

It became known about the middle of last week that the adminstration favored either the Bankhead bill on cotton or some similar egislation to curb production. This will probably result in comulsory control extending to other basic crops and therefore needs o be closely studied at all times. Secretary Wallace is somewhat ubious about these new ventures; and we believe that in assuming n attitude of hesitancy he is very wise, because it would look very uch as though our cutting of acreage would simply be an invitation o other countries to forge ahead and take our place in making up any eficiencies. We do not think that the country, and the farmers in articular, are ready for any such nationalism, which would of neessity develop with controlled marketing, licensing of plowed land, nd quotas for each farmer.

At any rate, the possibility of such reduction in acreage still emains a market factor, and despite quite heavy moisture over the eek-end declines were rather unimportant. Kansas was particularly avored with rain and snow, and we would say that all in all the outook is very much better than a week ago at this time.

The prospect for wheat prices, in our opinion, is none too good nless world surpluses are greatly reduced. The present price plus he 30¢ per bushel processing tax already represents a fairly high ost to consumers, and the public is paying at the rate of about a illion dollars a year to farmers through these processing taxes. ear is growing in some quarters that this relief for farmers, if exended, will become more of a budgetary problem right along, probably qualing that of the veterans; and we are not at all sure that if urther acreage is to be restricted there can be these continued sums f money paid out in the form of bounty. The commodity price index s about 73 now comared with 60 a year ago, and we believe the goal s still a long distance away. However, just what method to pursue till remains one of the great problems in Washington.

Primary receipts of wheat today were 577,000 bushels compared ith 651,000 last year. No wheat was cleared either today or a year go. The visible supply decreased 1,806,000 bushels; and the total s still very large- 105,202,000 bushels, or about 42,000,000 bushels ess than a year ago at this time. Final prices in wheat were 7/8¢ er bushel lower; and trade on the whole not much better than last eek, practically no increase in speculative interest being apparent.

Corn also registered lower prices, and the visible supply inreased nearly one-half million bushels, with total stocks in excess f 66,000,000 bushels, and this is 34,587,000 bushels larger than in 933.

According to a Washington dispatch, the total amount of governent money loaned thus far on corn stored on farms is approximately 70,000,000. This must be very disappointing, as the percentage of armers taking advantage of the loan rate of 45¢ per bushel is cerainly small compared to the size of the corn crop. It is another ndication to us that in spite of the great inducement made to the illers of the soil they see in it the necessity of cutting next ear's acreage; and to that extent it is unattractive. Farmers have heir land and they are accustomed to keeping it under cultivation, nd the new system of retiring same does not have sufficient appeal, ven though modern economics may deem it best.

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CHICAGO February 20th, 1934.

Sterling was sharply lower today, registering about a 9-point
cline, and there is no direct accounting for these overnight fluctua-
ons. Whether or not either the American or the British stabiliza-
on fund is at work, nobody can state with any degree of accuracy.

As far as wheat fundamentals are concerned, one has still
veral factors to consider at this time. We are entering a period,
ter Washington's birthday, when customarily it is the calendar time
assume a bullish position on wheat. There are natural reasons for
is, the first one being that ordinarily the crop scare period com-
nces and the winter wheat plant, which has been in a dormant state,
adually assumes new life and spring growth sets in. There are the
ual March hazards of high winds, bug infestation, etc., and in many
asons high prices have been witnessed during the month of March,
so helped by the fact that in times past this was the time when
rward sales were made for export and of necessity futures were
ught as a hedge to protect these transactions. This combination of
eculative and export buying was very helpful.

This year there is no chance of doing any foreign business, be-
use Argentine wheat, for instance, is selling at 57 1/2 cents CIF
glish ports. If anybody should desire high protein wheat, he can
t Canadian varieties which are selling roughly about 20¢ per bushel
der ours. Therefore the demand, if it arises, must be mainly spec-
ative. At this particular writing speculation is at a low ebb and
e administration is not doing much to encourage that type of buying.

As far as the domestic business is concerned, new pressure
light because the farmers are not selling on a large scale. As an
fset, milling demand is also extremely light and there is seldom a
avy buying on part of mills between now and the end of May, although
ry often in June it picks up materially. Last year at this time we
d a good milling demand and it remained rather sizable, probably
e to the fact that the price was so abnormally low and many con-
mers believed in inflation so that stocks were built up. Further-
re, they were anticipating the processing tax which came later.
is year everything is different and we believe that the speculator,
he arrives on the scene, must base his hope mainly on further
reage reduction, as intrinsically there is nothing very bullish in
e situation.

It is true that we shall go into the next crop with a greatly
duced carry-over from the 1933 figures, but it is also a fact that
e southwest crop promises better than last year at this time, and
great many people report to us that the Kansas wheat crop is well
oted, an important consideration. Moisture conditions have im-
oved the last few days, and more rain or snow is in sight, accord-
g to the map.

Once federal benevolence has started it will be difficult to
lt, and we doubt whether compulsory acreage reduction without bene-
t payments will finally prove successful. The status of the farmer
s greatly improved after last year's virtual winter wheat crop
ilure by the payment of bounties. Any change from an acquired
atus is painful, therefore we think it will be difficult for the
ministration to alter its policy now that the farmers have tasted
the new fruit.

Primary receipts of wheat today amounted to 307,000 bushels,
d much the same as last year when they were 312,000 bushels.
ocks so far this week at Kansas City, Duluth and Minneapolis show
net decrease of 97,000 bushels. No wheat was cleared either today
a year ago this time. Bradstreet's clearances of wheat and flour
om North America this week were 3,622,000 bushels; since July 1st
ey are 66,000,000 bushels smaller than a year ago.

Today's market showed that stocks and grains do not neces-
rily have to keep company; despite a rather firm security market
eat declined 1 1/4¢ per bushel.

Corn sympathized slightly, but held within a rather narrow
nge.

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CHICAGO February 21st, 1934.

On January 15th of this year the administration made known its olicy in regard to gold and our currency. At that time May wheat ose very sharply to 91 1/4 cents, an advance of about 3 5/8¢ from he previous day. It was quite natural to reason that on the basis f the new dollar everything else should gradually become about 70 er cent higher than before, less of course advances attained in nticipation of the monetary change.

When we look back now upon the action of the market during the ast month, we find that fluctuations since that time have been very ight; and due mainly to lack of speculation and improved weather onditions, most of the advance scored on that rather hectic day has een lost. We mentioned then that all commodities would not share he benefits alike, and this has proven to be the case up to the resent time.

Whether the administration still bases as much faith upon its onetary plan as heretofore, we do not know; but certainly Washing- on is stressing the need for curtailed acreage, and the chief xecutive, in discussing the principles of the Bankhead bill, speaks f this proposed law as providing "reasonable assurance of crop imitation".

It might be interesting to note that up to February 1st the arm administration in its production adjustment programs has made otal outlays of $194,311,200. Of this sum the largest part went to otton farmers: over $112,000,000; and only a little over $45,000,000 o wheat producers. Nevertheless, as we pointed out yesterday, it ill probably require a continuation of federal benevolence to bring creage more nearly into line with consumption.

Under the proposed plan for a sugar quota there have been con- roversial discussions between the Department of Agriculture and a umber of senators. Various senators have been debating at these eetings what should be done with the land now being cultivated for ugar beets and sugar cane if acreage contraction takes place. e believe that this same problem will present many difficulties in ther basic commodities, because the farmer has always been in the abit of keeping his land under cultivation, fully cognizant that his great country was built up on the theory of expansion and not y contraction. Furthermore, it is not an easy matter to find sub- titutes when land is retired from the raising of important crops.

More moisture, mainly in the form of snow, is being reported to s as this letter is being written, and the forecast is for more snows onight and tomorrow over a wide area. This should prove very bene- icial in addition to the precipitation already received. Already a ore optimistic feeling exists with reports claiming that surface oisture has revived a great deal of wheat that had been believed be- ond recovery. Of course, crops are not made in February, but at east the timely recovery which set in will prevent further deteriora- ion, and it is quite likely that with average conditions from this ime forward pretty good crops will follow.

As we draw closer to the new crop, the great disparity between ur market and foreign ones will become more freely discussed. Liver- ool May wheat is quoted about 64 1/2¢ and Winnipeg May about 67¢. herefore export business, even on basis of our next crop, is highly nlikely unless further subsidies are effected. Even then sales are ifficult, as is evidenced by the slow movement from the Pacific oast.

Primary receipts of wheat today were 428,000 bushels, while last ear it was a holiday. No wheat was reported cleared. So far this eek stocks at Kansas City, Duluth and Minneapolis show very slight et changes.

Despite more or less firmness in the stock market, reports of nows had a somewhat depressing effect upon wheat, and bulges were ather difficult to hold.

Corn showed a rather firm undertone. While stocks are ample for he time being we believe that acreage reduction later will have its ffect upon this cereal just as it did with cotton. Therefore, weak pots should be regarded as attractive for investment buying.

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CHICAGO February 23rd, 1934.

Judging from Washington comment, the time apparently has come when the administration must decide whether the economic recovery can best be served by still further legislative measures or whether a breathing spell should be allowed from law-making activity. There is no doubt that regardless of cost, certain improvement has taken place; and whether Gen. Johnson is correct in his assertion that about three million men have been returned to their positions due to N R A, or whether Miss Perkins is more accurate, claiming only two million men back on payrolls, is not the all-important factor. It is definitely established that business has improved; and the next question remains whether the public debt can increase at the rate of $25,000,000 per day, and whether private enterprise can finally absorb those now on relief work.

Senator Reed, in opposing the policy of trying to spend ourselves out of the slump, does not complain of the relief appropriations, knowing full well that the country owes a certain obligation to its citizens. But he does complain of hiring men on public works who are leaving their jobs in private industry. In discussing irrigation projects, he calls attention to the fact that part of the money which is being spent so freely in that direction is opening up millions of acres of farm land, while the government is curtailing crops on other lands. He is concerned with the trend of destroying crops, slaughtering livestock and plowing under cotton, which to him does not make sense.

At this writing the administration seems to be basing most of its hope of commodity prices on acreage control, and one must naturally consider that the action proposed for cotton farmers might be extended in many other directions; and already proposals have been made to place various additional agricultural articles under the grouping of basis commodities. In this, rather than in any attempts of tariff changes in seeking new outlets, seems to lie the greatest hope of reducing our surpluses.

The matter of tariff is a very delicate subject, and if reopened now would doubtless bring about a prolonged debate, possibly lengthening the present session of congress, without assurance of any betterment in the long run. Mr. Peek, formerly connected with the AAA, is investigating this field now with the idea of trying to work out reciprocal arrangements, but up to this time no announcement of progress has been made.

Argentine shipments this week are slightly over 4,000,000 bushels, running about the same as a year ago, while Australian exports were 3,441,000 bushels, or only about half as much as last year. The Black Sea shipped 224,000 bushels, which was a falling-off from last week and considerably more than last year. All in all, Europe seems satisfied with the supplies reaching its shores; and judging from the Liverpool price of less than 70 cents per bushel, there is certainly no outstretching of arms to build up larger stocks.

Shortly after the opening a message appeared on the broad tape stating that the Relief Administration would purchase immediately five million dollars worth of wheat to be distributed to farms in drought-stricken areas. This had the tendency of holding prices somewhat firm, although finally the weakness in stocks was a factor.

The amount of moisture since Wednesday was not great, and probably sub-soil reserves are still light. Nevertheless, the recent snow has done some good; and moreover the weather map looks wet in the southwest, and we would not be surprised to see further relief.

Primary receipts for two days were 531,000 bushels compared with 485,000 last year for a single day. So far this week stocks of wheat at Kansas City, Duluth and Minneapolis show a net decrease of 111,000 bushels. No wheat was cleared either today or a year ago.

Corn was firm, but best prices of the day were not maintained. The farm administration reported that 400,000 farmers had signed contracts to reduce their production of corn and hogs this year. Most of the contracts have been executed by middle-western farmers, Iowa leading with a total of 130,000 contracts. If acreage is finally materially cut this should have its effect marketwise.

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CHICAGO 50 February 24, 1934.

On Saturday, October 21, 1933, May wheat closed at 85¢. The ollowing night President Roosevelt made his memorable radio adress in which he again affirmed the desire of the government to lift ommodity prices. At that time he outlined how a price would be stablished for newly mined gold, and the following day wheat advanced ¢ per bushel, closing at 89¢ for the May delivery. Fluctuations ince then have not been very great in either direction despite inlationary tendencies, and with our wheat so far above an export asis speculators have not found great buying incentives.

As we view the situation, an article which shares an interational trade would reflect more fully depreciation of the dollar n terms of foreign exchange; a commodity like silver has advanced ery materially as its price was not retarded by the influence of he internal value as in the case of a commodity restricted to the omestic market. As long as we have surpluses in this country ithout an export outlet, we believe that the administration will ave to either seek reciprocal arrangements through tariff agreeents, or else subsidize exports at a loss as was the case this year ith Pacific coast shipments. The low price of wheat from the west oast brought complaint from industries in the east, where it was laimed that prices undersold those of local dealers; and several illers in Virginia became worried because this was virtual dumping f supplies in their markets.

In the meantime the government is getting rid of some small uantities through the relief administration program, and hope was xpressed by President Roosevelt in approving a bill providing 40,000,000 for emergency crop production loans that congress would ass no further measures in this direction. He pointed out that up o January 1st of this year only 73 per cent of such loans had been epaid. In any event, when wheat is given away for relief it does ot actually increase home consumption except in cases where it is ed as a substitute for corn, or where through charitable use more s wasted than if it were actually bought. What we are primarily nterested in is to get ourselves on a commercial basis as we were in ears past, so that through the usual channels of exportations our xtreme surpluses will not continue to pile up on the home market, hereby giving us a better price domestically for our grain.

The main feature of the day was the great strength in rye. This ereal benefited from a report that the revenue law of 1930 provided hat if a country like Poland paid a bounty of 30¢ per bushel for he exportation of rye, then there would be assessed a like charge or importations into this country, plus the regular duty of 15¢ per ushel. If this is correct, it would promptly put a halt to further mportations from any subsidized country.

Sympathetic strength spread to wheat, and despite fairly good oisture over night and lower stocks the leading cereal closed but ractionally down for the day. Primary receipts of wheat were 23,000 bushels compared with 430,000 last year. So far this week tocks at Kansas City, Duluth and Minneapolis show a net decrease of nly 48,000 bushels, indicating a small shrinkage in the visible upply on Monday. No wheat was cleared either today or a year ago.

Trade in corn was rather quiet, but a firm undertone was noted. ur friends down-state tell us that the loaning policy has been opular, and with a great deal of corn sealed in bins, for the time eing at least, new pressure should be exceedingly light.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO February 26, 1934.

Official Washington is concerned with the code meetings under RA which commence in about ten days, also the Civil Works program, with hundreds of thousands being dropped from employment. Accordng to the Federation of Labor head, there are estimated to be 1,690,000 people unable to find employment in normal industrial ursuits, and of this number 4,600,000 have obtained emergency work uring January.

Very little has been heard lately of monetary changes, and with ur currency stabilized at least for the time being on a gold ratio, t remains to be seen whether further legislation will be sought in onnection with silver bills, which apparently have been announced n the lower house as pending.

One thing seems to be definite: that unprecedented quantities f gold have been coming into this country; and in our judgment hese enormous importations can have but one final outcome. If the uropean reserve banks cannot accumulate any gold -- or, in fact, f they reduce their present reserve holdings, as is the case with rance -- such nations will be all the more anxious to export goods. n other words, they will prefer gold to commodities; and this in urn will in the long run spell deflation in world's prices. Our rice level of course will be affected, but it should remain comparatively high on account of our other inflationary measures, which re too numerous to set forth in a grain letter.

The important development over the week-end was the nationwide precipitation which visited practically all of the droughty reas with the possible exception of the panhandle of Texas. While his is being written we are getting very optimistic reports from a reat number of places in Kansas and Nebraska, and some of these oints had been rather worried after last year's disastrous results. Our Kansas City office claims that this was probably as general a snowfall as they had witnessed in a number of years; and at Norton, which is in the western section, total moisture is reported at 1.55, which certainly is the reverse of what occurred last year and should paint an entirely different picture as we emerge from winter conditions.

There still remains one uncertainty: namely, compulsory crop ontrol. There seems to be growing congressional sentiment for applying the principle of the Bankhead bill to other crops; and while he experience from plowing up cultivated acreages was not satisfactory in cotton last year, there is the fear that if the wheat rop later on looks too promising political action will interfere with the laws of nature in trying to reduce final yields. At the resent time Chicago May wheat is selling about 20¢ per bushel over he same future in Winnipeg, and therefore export business either on asis of old or new crop is a long distance away. With the rather low domestic demand the carry-over on July 1st will still be large nough, in our opinion, to force a carrying charge from the old crop uture to July as elevators are not anxious to carry grain without ome remuneration. Of course much will depend on crop conditions as he season advances, but receipts would quickly pick up on promise f a good crop with farmers willing to dispose of this year's holdings.

Primary receipts of wheat were 495,000 bushels compared with 03,000 last year. No wheat was cleared either today or a year ago same day. The visible supply decreased a smaller amount than in 933 -- somewhat less than 2,000,000 bushels; and the total is now bout 41,000,000 bushels less than a year ago, however, still in xcess of 100,000,000 bushels, which amount formerly seemed enormous. The combination of wet weather and a lower stock market was too much for wheat, and liquidation of a small character forced the market own, and this also carried corn off sympathetically.

The visible supply of the yellow cereal increased just slighty, but total stocks are 33,501,000 bushels greater than last season. n spite of the fact that much corn is sealed by the government where oans have been made, there is still a movement, although small compared to what it otherwise would be.

Rye also declined fractionally. As far as we know no official

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February 27th, 1934.

According to eastern press dispatches, the reactionary tendncy of commodities during the past two weeks is causing concern, and ome venture the opinion that the administration may again resort to urrency manipulation in the event prices fall further. In this tudy we think that a comparison would be interesting with countries ike France, Belgium and Italy, where inflation has been tried. There, he purchase of commodities proved the best protection for capital gainst losses resulting from inflation and depreciation of the curency.

This does not mean that commodity speculation was in all cases he most profitable, because in comparison with ownership of securties there was the loss of interest, also carrying charges over a eriod of time which greatly reduced profits. We believe that Proessors Warren and Rogers were influenced to some degree by the reults obtained abroad, but we think it is well to point out diferences which existed some years past as compared with present-time ealities.

In the first place, during the post-war years in Europe there as a shortage of almost every kind of goods, therefore a steady deand for commodities. Furthermore, only few trade restrictions had een invoked and markets were comparatively free with only slight imort duties and quota restrictions. This of course meant that comodity prices when measured in gold had in most cases a tendency to each approximately the same levels in most countries. At the present ime there is no longer a free flow of goods, and most European ations are trying to protect themselves and to a great measure becomng nationalistic, with the result that due to present quotas, tariffs, tc., there are almost as many price levels at the present time as here are countries.

Furthermore (and we have pointed this out frequently in our maret letters) the enormous wheat surpluses that have been built up since he war, and particularly in this country due to farm board accumulaions, combined with the rather limited demand, makes it less of an inucement to acquire this commodity than some of the others. An article n Barron's Weekly points out in the latest issue, "Commodity prices n European countries stopped rising as soon as the currency was tabilized, while the cost of living continued to increase for a number f years. A similar condition might also prevail in America with the ovement possibly intensified and speeded up by the operation of the RA, the AAA, etc."

Whether or not the past few months' experimentation has shown nything to the economists who so forcefully advocated inflation we o not know, but certainly the depreciation of the dollar up to now as failed to bring about the price advance which it had been adertised would be the case. In any event, action up to now has only aken place to a rather limited degree, and certainly not uniformly.

After a seven-day decline in which wheat made a low turn on he present movement there was a substantial recovery influenced by hort covering and a better sentiment in both cotton and stocks. Furher talk that silver legislation was pending also was a factor in ringing about the advance. There were reports from the northwest hat the relief organization was in the market for quite an amount of eed wheat, and we presume that before long the various markets will eel support coming from this buying. Stocks of wheat at Kansas City, uluth and Minneapolis show a net decrease so far this week of 7,000 ushels. No wheat was cleared either today or a year ago same day. rimary receipts were 331,000 bushels compared with 490,000 last year.

Corn made little response to the higher wheat quotations, and here was a slight widening between May and July contracts. We believe hat new buying of both wheat and corn will be in the deferred months, nd that there will be more tendency toward carrying charge as liquiation of nearby contracts takes place.

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CHICAGO February 28, 1934.

Sterling exchange has not fluctuated to any marked degree in
ne past few weeks, and there does not seem to be a great deal of in-
erest judging from the number of changes in quotations. No headway
as been made in the restoration of an international monetary system,
nd since the utter collapse of the economic conference last summer
nere is seen intensification of economic nationalism. The world
rice of gold in England, based on the present exchange rate, has
isen to a level where there is scarcely any profit left for ship-
ing to this country, and it appears as if foreign nations are tak-
ng steps to protect their diminishing supplies.

Nobody can state with certainty whether this country will
inally benefit from the fact that the dollar was depressed below the
evel justified by current conditions. Nevertheless, devaluation
nich was sought in order to restore agricultural prices has not
ad the desired effect up to now, and this in turn has caused a new
chool of thought directed toward acreage reduction either on the
resent basis through government allotment payments or else through
ompulsion. At the present time there seems to be considerable con-
ention between the "hard money" and the "soft money" adherents,
nich probably explains the continual veerings of the administration
oward and away from inflation. On the one hand they expressed the
esire last fall for commodities to advance, and now they rather as-
ume the attitude that revovery in this direction should be slow in
rder not to stimulate acreage expansion.

Popular psychology cannot be changed by legislation. The cur-
ailment of acreage thus far has been accomplished in the main by
ayment of bounties; and we believe that if the Bankhead bill, even
n modified form, should be enacted into law, there will be a cer-
ain repugnance on the part of farmers, and we doubt whether any
roup of county agents would be able without encountering many ob-
tacles to enforce too closely their penal duties.

There had been very little moisture overnight, although not
ich had been expected, and after the recent snows none will become
ecessary now for some time. There is the prospect, however, that
few localities will benefit tonight or tomorrow from additional
ain; and in view of the sub-soil moisture this is all very helpful
this season of the year.

There was very little trend to the market, firmness came at
imes in sympathy with a better tendency in Winnipeg and higher
tocks, although weakness in rye, which at one time declined about
1/4¢ per bushel, had the effect of bringing about local liquida-
ion. On the whole, business from the outside was rather limited,
nd we think that total trade in all pits will be much the same as
esterday, which was about 20,000,000 bushels. A marked tendency
oward carrying charges was noted, and weakness was more pronounced
n May than in other months. With the milling demand still very
ight and Kansas City May wheat selling about 8¢ under Chicago, we
elieve the trend will be in this direction. Of course, stocks of
heat in our market are very light right now, but with approximately
,000,000 bushels in Kansas City, and also a large amount in Omaha,
nis situation could easily change before delivery day.

Primary receipts were much the same as last year, 321,000
ushels compared with 358,000 in 1933. No wheat was cleared today,
nile a year ago 32,000 bushels were shipped. Stocks at Kansas City,
uluth and Minneapolis show a net decrease of 65,000 bushels.

Corn also had a narrow price-range, but the undertone was
irm and the movement to primary markets is not large.

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CHICAGO March 1st, 1934.

The London gold price was slightly higher in American money
l figured $34.73. On that basis we think importations of foreign
.d will be small from now on. Indications also point to few if any
pments from Paris to New York, after 26 days of intensive arbitrage
erations which succeeded in forcing the dollar rate from nearly
francs to 15.20, at which level export of gold was no longer pro-
able.

With few monetary considerations except continuation of heavy
ernmental spending as related by Washington dispatches, traders
in turned their ideas more or less to actual wheat conditions.
private experts gave their views on farm reserves this morning,
there has been a disappearance of approximately 58,000,000
hels of wheat since the government estimated on January 1st that
,000,000 bushels remained on farms. The figures of the various
erts differ slightly, but it appears that about 136,000,000 bushels
still left in farmers' hands, a reduction of approximately
.000,000 bushels from last year. Country mill and elevator stocks
about 23,000,000 bushels smaller, and there is a shrinkage in
visible supply of 41,000,000 bushels from the 1933 figure. As-
ing that the large mills have about the same as last year, there
ld be in these four positions 142,000,000 bushels less wheat than
ear ago.

Next would come the question whether the disappearance from
until July 1st would be as large as last year. Our guess would
no, the reason being as follows: Exports should be very small,
furthermore, domestic dealers will not load up with supplies as
y did a year ago when the processing tax was impending. Produc-
n of flour from March to June, inclusive, during 1933, exceeded
corresponding period in 1932 by 3,281,000 barrels, or equal to
rly 15,000,000 bushels of wheat; and we think this may be almost
lly accounted for by price cheapness and an effort to circumvent
tax. At present we must contend with the higher price level;
even granted that the carryover next year is finally reduced to
extent of 142,000,000 bushels, it would still mean close to
,000,000 bushels on hand next July.

Now assuming that the crop progresses at an average rate from
on (and winter wheat prospectively shows a yield of about
,000,000 bushels); and assuming a spring wheat crop of 225,000,000
shels, the new crop plus the estimated carryover would be 933,000,-
bushels. If this is compared with figures one year earlier, we
ld have a total crop of 543,000,000 bushels and carryover
,000,000 bushels, or wheat in all positions, 933,000,000 bushels,
ctly what is indicated four months hence. On this prediction,
have made very little headway in spite of political agitation for
reage reduction, etc., and notwithstanding the fact that last year's
p was a disaster.

Overnight news developed good rains south of Amarillo and one
h at Plainview, with reports that it was still raining in that
ritory. We believe that the Texas panhandle, which was entirely
ssed during the last moisture period, has received relief now; and
s, together with additional rain that might occur tonight in
ahoma and eastern Kansas, is of inestimable benefit to the winter
eat crop.

Stocks of wheat at Kansas City, Duluth and Minneapolis so far
s week show a net decrease of 116,000 bushels. Primary receipts
re small today, only 229,000 bushels as compared to 740,000 bushels
st year. Clearances were nil both today and a year ago same day.

The market in the main was dull and inclined toward the down
le, although pressure was not great.

The fact that corn held rather steady was some comfort to
lls, and the yellow cereal has made a good showing during the past
sessions, which we believe will be the case, as we are not far
m an export basis; and furthermore, much corn is held on farms
aled, where it will probably remain for some time. Farm reserves
considerably smaller than a year ago, but do not make a bad show-
g as compared with 1933, considering the smallness of the crop.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
IMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

March 2nd, 1934.

Yesterday's rather moderate trade was characterized by judg-
nts formed after issuance of the private reports. For the time
ing, monetary elements were forgotten and a great many people
gured out in their own minds the possible outcome of prices on
e basis of supply and demand. This morning, however, press dis-
tches from Washington brought legislative matters to the fore-
ound again, and Secretary Morgenthau urged Congress to allow the
ministration a free hand in its monetary experimentation. He
pressed the hope that there would be granted at least nine months
a year so that the experimental system could be carried further,
d he said that as far as he was concerned we were on a day-to-day
sis. The Secretary went further to venture the opinion that no
e could tell us where we would be six months or a year from now;
d whether we are going to continue to be successful, he could
ly hope, but that none could know.

This expression was possible evidence that more inflation is
sight. It was significant because on April 15 there will be ad-
tional refinancing, and it is a question now whether the present
ligations outstanding will be retired by issuing another type of
curity or whether money will be printed in accordance with power
ready vested in the President to issue up to $3 billion worth of
w money to pay off Government securities.

With such uncertainty, and the treasury itself not knowing
at is in store, we believe that people again are thinking of pro-
ction against their capital; and, as is usually the case, com-
dities are sought. Stocks also had a better tone and recovered
om their weakness of yesterday. There remains, of course, the
ct that our prices are out of line with world markets, and in the
neral desire this morning for purchases some people who con-
dered domestic prices high availed themselves of accumulating a
ng position either at Liverpool or at Winnipeg.

In the latter market it still holds true that the Canadian
vernmental organization is long a tremendous amount of futures.
me estimate that it is a quantity almost equal to the amount of
sh wheat in the country. As a result, there is no particular
essure in that market, and purchases, when made, affect prices
ther easily. This might be the case for a little time, because
doubt whether Mr. McFarland will see fit to liquidate the govern-
nt holdings unless there is a material enhancement.

Pressure from Argentina is still a factor, but with European
op reports less favorable than a year ago speculative interest
road could develop and bring about more buying inclination.

Our moisture overnight was satisfactory in Texas, Oklahoma
d parts of Kansas. We wish to emphasize again that crops are not
de in early March, and the usual hazards are still ahead. Never-
eless, great improvement has taken place after the recent rains,
rticularly if comparisons are made with last year when the great
ought prevailed for a protracted period.

Primary receipts made a poor showing as compared with last
ar-- 361,000 bushels today against 621,000 at that time. Clear-
ces of wheat were nil today and also a year ago same day. There
s been a net decrease in stocks so far this week at Kansas City,
luth and Minneapolis of 203,000 bushels.

As the session progressed there was a notable change in
ntiment, and influenced by the advance in stocks wheat made a
ne recovery after several days of weakness. Strength in Winnipeg
s quite a factor. Cables from Buenos Aires claimed that the
gentine government would advance the minimum price paid to farmers
mmencing Monday. In considering the latter one must also note
at their prices are in the low 50's; and therefore, this cannot
regarded as particularly bullish on our futures, except sentimen-
lly.

Corn enjoyed the better feeling as did the other pits, and as
have mentioned right along, with the farmers having a consider-
le part of their surpluses sealed in order to obtain government
ans, movement to primary markets will be small, and in the mean-
me the demand is somewhat better.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
IMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO March 3rd, 1934.

According to the American Bankers Association, news on ie surface appears encouraging although increase in employment eflects shorter hours under code systems rather than an increase 1 total hours worked. Department store sales in January show 1 increase in dollar value of 18 per cent over the previous year. iis increase, however, does not cover enhancement in prices which is taken place during that period, and their deduction is that olume of goods actually moved was smaller than in 1933. Never- ieless, optimism is still apparent in a great many lines, and ie fact that there has been a return of confidence is a great elp in the business world. It also appears as if the expend- tures of the administration would not reach the total amount sked for in the budget, and to that extent it is also a step in ie right direction.

In the way of processing taxes it is hoped that the Agricul- iral Administration will not have to dig into treasury funds to ake payments, and although expenditures at the present time ex- eed income, the AAA officials are confident that incoming revenue ill suffice in the way of taking care of the adjustment program the end of the marketing year for the respective commodities 1 which they are dealing.

In reopening the wheat program an attempt is still being ade to sign additional contracts for farmers who have not entered ito previous acreage cuts. Any such new signers will receive ie second payment of 8 cents per bushel less local costs and ill also share equally with other cooperating farmers in the 1934- 5 payments provided by the wheat plan. With this in mind, there emains some uncertainty as to the final acreage which will be arvested. There is one factor, however, of which we are certain: amely, that on the remaining acreages there will be very inten- ive cultivation on part of farmers. We notice that in nine rincipal cotton-growing states for the three months ending Feb.28 ie total fertilizer sales were 827,000 tons against 383,000 tons or the corresponding 1933 period. It is likely that with the inds distributed to farmers they will be in a position to culti- ate better than in previous years; and as it is always the desire every farmer to get the maximum yield from his soil he will ertainly want to concentrate on the smaller unit which will be eft for harvest.

Mr. Johnson, who forecasts weather privately for us, be- ieves that rains will occur in many southwestern sections to- ight, and certainly the season has been more favorable than last ear, so that a continuation of good weather might gradually cor- ect subsoil deficiency which up to now has caused considerable pprehension. Just at this writing rains north of Amarillo are eported the best in several years.

Stocks show a net decrease of 119,000 bushels at Kansas ity, Duluth and Minneapolis so far this week. Primary receipts ere small again- only 282,000 bushels compared with 557,000 ast year. Clearances both today and a year ago were nil.

The wheat market does not demonstrate much of a tendency 1 either direction, and recovery from early weakness came in re- ponse to better security prices and firmness in corn. The yel- ow cereal was helped by a report from Washington indicating that ermits would not be renewed for unlimited manufacture of alcoholic roducts from other than cereal grains. Trade was not particularly tive, but this cereal together with rye made about the best show- ng as traders felt that these commodities on their own merit pre- ented better opportunities probably than did wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
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CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

March 5, 1934

Cables from abroad were about unchanged this morning and
herefore hardly a factor. World gold price in England was down
qual to about 7 cents, but scarcely enough to induce further
hipments to this country. The February flow to America set a
ecord, with about $411,000,000 worth of the metal received at
ew York, more than double the amount that fled from this country
n the two months of December, 1932, and January, 1933, which at
hat time had established a record outflow during such a period
ince the war.

Newspapers over the week-end were very optimistic in their
eports, and in reviewing circumstances that had occurred during
he new administration most of the articles looked back to a year
go, since which time improvement has been noticeable in prac-
ically all lines. Some commented on the way results were ob-
ained, such as the major operation upon our dollar and the tre-
endous expenditures for relief, but the conclusions were mostly
like: namely, that confidence in great measure had been restored.
he President also assumed this attitude in his radio address this
orning preliminary to the code meetings in Washington.

The two items that are still somewhat disturbing could be
ummed up in the continued heavy unemployment thru normal busi-
ess channels and the fear of too rapidly advancing living costs,
he latter if sufficiently great would tend considerably to off-
et higher wages which in large measure have resulted through
RA efforts.

The President made no mention of the administration's policy
n silver, although we note from newspaper articles that production
n the world has increased 11 per cent and in this country it is
lso increasing very rapidly. Mr. Morgenthau recently expressed
imself by saying that further experimental readjustments might
ccur if conditions made it desirable. Whether or not further de-
aluation of the dollar will follow is anybody's guess. As to
ther programs, it must be quite apparent that with the gradual
bandonment of some of the CWA projects, which means less employ-
ent and poorer business, that other measures must replace this
ork. All in all, this points to higher taxes and possible com-
ulsory unemployment insurance. The average trader, under these
onditions, will still seek possession of equities; and possibly
heat, as a major commodity, will be sought. Recently there was a
radual liquidation of May contracts, which in many cases has been
eplaced with July or September deliveries. Chicago wheat stocks
emain small, but the fact remains that it will require only a few
hipments from Duluth or some other place to bring about a carrying
harge from old to new crop position. We believe, therefore, that
nyone bullishly inclined should purchase deferred deliveries in
reference to the May contract. With good prospects in the ter-
itories adjacent to Chicago, we can also see finally narrower
ifferences between Kansas City May wheat and Chicago, although this
y not occur for several months. Final prices were little chang-
l here despite a probability of rain tonight in western parts of
nsas and Nebraska.

Primary receipts of wheat were 627,000 bushels compared to
2,000 last year. The visible supply of wheat decreased much more
avily than in 1933, the shrinkage amounting to 2,575,000 bushels
mpared to only 770,000 bushels at that time when we had the bank
ratorium. No wheat was cleared either today or a year ago same
te.

As far as corn is concerned, there must be a differentiation
tween the immediate outlook and the long range price level.
mentarily receipts are light because farmers have sealed their
ns to obtain government loans. Finally if the next crop, with
oper fertilizer, brings forth good yields, this together with ac-
mulated grain might create a situation similar in the yellow
real as we had in wheat when the Farm Board accumulated tremen-
us surpluses. There was a decrease in the corn visible today
631,000 bushels; and total stocks are now 31,000,000 bushels
eater than a year ago at this time.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

March 6, 1934

About three years ago ex-President Coolidge offered a
.ther sane philosophy when he made the following statement:
Then trade declines a nd goods begin to accumulate, whether
ley are raw materials or farm or factory products, instead of
itting the market take its own course there is always a great
emptation to try some artificial remedy. It is better for every
le in the end to let those who have made losses bear them than
try to shift them on to some one else. If we could have the
ourage to adopt this principle, our recovery would be expedit-
l. Price-fixing, subsidies, and government support will only
roduce unhealthy business. " Sometimes in our enthusiasm to
orrect faulty situations we become carried away by certain emo-
ions, forgetful of the secondary consequences.

The present loaning policy to the corn farmer was intended
tide over the farmer's condition during periods of stress, but
practice when supplies are artificially withheld from the mar-
et it is bound to cause an accumulation of stocks, which later
might present the same problem as we had during the farm board
ra. For several years the farmer paid that penalty of artificial-
y withholding wheat supplies from the export market. In Argentina,
here the price level is very much lower, subsidies are being at-
empted; and quoting Mr. Coolidge again: "Any such government
nterference in an attempt to maintain prices out of the treasury
s almost certain to ma ke matters worse instead of better. It
isorganizes the whole economic fabric. It is a wrong method be-
ause it does not work."

In our country the Pacific Emergency Export Association
as exported 18,000,000 bushels of wheat and flour from July 1 to
arch 1, mostly to the orient. The price obta ined abroad had
een approximately 48¢ per bushel, and the association has lately
een paying 10 3/4¢ under Chicago May, or 75¢ a bushel delivered
ortland, which shows a loss of 27¢ a bushel on the transaction,
ccording to figures which Broomhall has compiled.

We know from our own experience that the matter of dumping
any form whatsoever is repugnant, and the federal revenue law
f 1930 specifically penaliz ed the importation of articles from
oreign countries where an export subsidy had been paid to the
hipper in order to expedite the flow of business to this coun-
ry. Recently, in connection with some rye shipments from Poland,
he matter came under investigation to see whether an additional
ax should be paid by the Polish shippers of an amount equal to
hat of the export bounty. Certainly other countries must finally
rotect themselves against cheap offerings made possible through
ubsidy, and we feel certain that the administration in working
ut reciprocal trade agreements with other nations will finally
orrect any abuses of a system which through emergency may have
ntered into our export policies.

Primary receipts of wheat today were again small, 210,000
ushels compared with 325,000 last year. Stocks of wheat at Kansas
ity, Duluth, and Minneapolis show a net decrease of 367,000
ushels, the largest disappearance being at Minneapolis. No wheat
as cleared either today or ayear ago same date.

There was very little feature to any of the markets and all
its were characterized by extremely light trade. Small liquidat-
ng orders with apparently little renewed buying brought about par-
ial declines, and this applied not only to the leading cereal,
ut to corn, oats, and rye as well.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO March 7, 1934.

The neutral character of the market shows rather clearly that
v trading incentives are necessary. For some time actual grain news
; not had any decided effect upon values, and most people were look-
; toward Washington developments for their inspiration. Business
tivity is still good, and the outlook is promising. Many purchases
edicated on the theory of inflation are not being liquidated, and
.s in itself imparts a certain firmness to practically all markets.

A great many feel in their own hearts that the future still
.ds forth further inflationary tendencies, as evidenced by the con-
iued government spending and the great question as to what our dol-
: will finally be worth. As some have characterized the present
in, the government has issued new dollars to finance its own deficit,
l already a minority organization like The Committee for the Nation
asking that the price of gold be increased to double its former
rth: in other words, that a 50-cent dollar be finally established.
e fact that our devaluation to date has not brought about sufficient
lief apparently does not disturb those who are seeking even greater
icessions.

As an offset to the bullish influences is the ever-rising ap-
ehension which exists over the present labor situation. Already it
quite evident from business heads who have gone to Washington to
isult on further NRA policies, that further lowering of working
irs with higher wages will bring about doubtful results. Wage ad-
ices have been made and are still being made, but the point has
out been reached where labor costs are cutting severely into pro-
ts. According to an article in Barron's, labor today is getting
e largest share of business profits in its history, and any sound
onomist knows that further advances from this point would necessarily
in higher prices for manufactured goods and other products, with the
obable result of falling sales.

We have mentioned the psychology of business trends because much
the present speculation is determined by the views of people who
e trying to protect their capital against dollar shrinkage; and the
tion of securities, of cotton, and of business itself goes a long
y toward forming judgments today as contrasted with the former
licy of trying to calculate the worth of commodities primarily on
eir merit.

From this time forward we would be inclined to the belief that
ilities will be given greater consideration. Already there is the
ought that a crop like oats, which was one of the smallest in history,
ould have given a better market demonstration than has been the case;
l if it fails to improve much within the next four to six weeks we
ibt if there will be great inclination to go into the next crop if
ere is promise for better yields. The same reasoning can be ap-
ied, to a lesser degree, to wheat and to corn. Last year's crops
re virtually failures for all three of these commodities, and yet
eir market action at the present time is disappointing. If this
the case, what will happen a year from now if nature is more pro-
lent in giving us more grain.

The open interest in the nearby positions is large, and further
quidation or changing over to deferred months should, in our opin-
i, create wider carrying charges. The primary receipts today were
7,000 bushels. They are a little more than last year when the bank
ratorium existed, and therefore the comparison is not a true one.
ocks of wheat at Kansas City, Duluth and Minneapolis so far this
ek show a net decrease of 550,000 bushels. No wheat was cleared
day nor a year ago same day.

Liquidation of a minor character was evident in all pits, and
ile it was on a relatively small scale, nevertheless supporting
lers were not very conspicuous, and this was the cause for lower
osing prices in all grains.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY

TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO March 8, 1934.

While inflation is still a factor for the future, temporarily
e dollar does not change much in terms of gold or against sterling,
d therefore attention is directed elsewhere. It is still true
at if commodities sink to a low level more devaluation is possible,
though nobody believes this will be attempted for some time. One
eat hope of the administration is that by getting more men employ-
through regular channels of industry consumption will increase be-
use spending power will expand. Hope also is based upon the banks'
llingness to expand credit, although one financial head rebuked the
C in a statement that the chief duty of banks was toward depositors
d not toward the helping of business. We believe that the banks
e desirous at all times of making good loans, but they can take only
mmercial risks commensurate with safety.

Yesterday witnessed some rather sharp attacks in Washington
ainst the AAA and some of its policies. These arose after the sug-
stion was made by Senator Connally to include cattle among the basic
mmodities. It was also felt that provision should be made for a
00,000,000 appropriation to carry out the program. At this point
ere was much bitter discussion as to whether the processing tax so
r had raised farm prices, even carrying the production control
ature along as rider. It was also stated by Senator Dickinson that
e AAA had obligated itself for $855,000,000 benefits and yet treas-
y receipts show only $203,000,000 received from processing taxes.
is of course leads one to wonder whether or not funds will probably
ve to be taken from the public treasury to make up any deficits if
e plan should not work out according to its original intention.

Reading from the Congressional Record of March 5, Senator Fess
mitted that of the seven commodities covered under the Adjustment
t, prices had increased somewhat except as to hogs. He also point-
out that the greatest increases in agricultural prices were 175
r cent on wool, 137 per cent on oats, and 132 per cent on rye: all
mmodities not covered by the AAA.

Routine news did not count for very much, and shipments from
gentina were estimated slightly less than 4,500,000 bushels, or
out the same as last year. Russia appeared on the scene as a
ipper this week, and wheat exports, mostly from there but including
e Black Sea, amounted to 352,000 bushels. The price of wheat in
verpool does not change greatly, but there has been firmness for
e past several sessions, and July wheat around 69¢ appears to be
tractive. On the theory that European crops do not look as good
last year, this price strikes us as being extremely reasonable. It
st be considered that the delivered price, which is represented by
Liverpool contract, means that from some place in the world there
s probably been paid an expense item, including shipment, insurance,
c., of about 10¢ per bushel; so this would make the grain at point
origin very low.

Favorable crop comments were received from our southwest re-
ecting improvement after the recent rains. There were, however, a
w scattered complaints from states east of the Mississippi; and
ssibly the recent cold has done some damage, but it will require
owing weather to determine the amount.

Primary receipts were only 321,000 bushels today; a year ago
ey were down to 165,000 bushels, but the bank moratorium was large-
responsible for the small amount of grain at that time. Kansas
ty, Duluth and Minneapolis show a net shrinkage of stocks amount-
g to 766,000 bushels so far this week. No wheat was cleared again
day,nor was any shipped a year ago.

Markets had a rather orderly decline; and below 86¢ for May
eat there was some stop-loss selling, with the great weakness in
ts also accounting for some of the bearish feeling. There were
coveries from the low quotations, but the one item of importance
ems to be the tendency toward carrying charges in wheat, despite
all stocks here in Chicago. The same we think will also prove to
the case with corn and oats. In the yellow cereal there is an open
terest in the May delivery of 72,000,000 bushels, and we think a
rge part of this will either be liquidated or changed over to a
ter month. In oats there are 48,000,000 bushels still open; and
course it depends upon whether the longs or shorts will take the
itiative. Receipts are light, and with all feeds small last year,
cluding hay a better demand might spring up between now and de-
ivery day.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO March 9, 1934.

It would appear that Washington, while still in the mood for
form, is at least becoming somewhat more conservative. We have seen
the past few weeks that the cancellation of the air mail contracts
s apparently an unwise step, and certain amends are being made now
that the business may be returned to private hands. Likewise, the
A failed of its purpose, the huge expenditure of funds not having
rked out as had been originally intended. Mr. Fletcher, who was
-author of the Stock Exchange bill, admits that more latitude on
rgins may be expected, and we believe that all in all there will be
mplification as compared with the early drafting of the bill, in
der not to hinder the securities business or investors.

Some weeks ago it was thought that the federal revenue act of
30 might be carried out to the letter with the result that Polish
portations of rye would be practically stopped. This tariff law,
we indicated in an earlier market letter, provided for an addi-
onal tax equal to the bounty paid by the exporting country; but from
st advices that Washington has issued, and despite the requests of
mestic interests, the administration seems disinclined to impose
y contravaling duties that are provided under the tariff. The
ought behind this is that the imposition of this extra fee would
sult in discrimination against our products in Poland. The latter
one time had a somewhat adverse effect upon rye values this morn-
g, as recent speculation had been on the inference that something
ght be undertaken in the way of carrying out the statute which was
rried under the previous revenue bill. We also mentioned that
e question of recipmocal tariffs is a very delicate one and that
y intervention now on the part of those in Washington might lead to
ouble at some later date.

As far as the actual trend of the market was concerned, its
utral character continued. On the one hand there were the uncer-
inties with regard to spring planting and the possibility that
reage curtailment would still be sought by the government through
e plan of bounties. Traders also had in mind the fear that fur-
er inflation might be imposed. This of course remains as an off-
t to the fact that our wheat still continues about 17¢ above the
ice in Winnipeg and therefore we would have to have rather sharp
eaks in our market before we would be much closer to an export
vel.

The Modern Miller in its weekly bulletin contained much the
me crop information as we have collected privately: namely, to the
fect that fairly general improvement was evident for the new winter
eat crop as the result of recent rains, although a noticeable lack
sub-soil reserve over a large part of the area west of the Missouri
ver. Indications are for rain or snow tonight in western Kansas,
braska and Missouri; and of course additional moisture would be
ry welcome if it occurs.

Primary receipts were again light, only 253,000 bushels com-
red to 188,000 last year, which was another moratorium day. No
eat was cleared either today nor a year ago same day. So far this
ek stocks at Kansas City, Minneapolis and Duluth show a net de-
ease of 909,000 bushels.

The stock market which had been quite strong at one time yes-
rday and had been the incentive for some purchases of wheat, was
ther dormant today, with more issues inclined to be a little lower,
th the exception of gold stocks. Therefore inspiration from that
urce was negligible.

Winnipeg ruled somewhat higher, with a very light trade, and
ports that a cargo had been sold for export to Norway was believed
ssibly to have been the reason for a little better feeling in that
rket.

Our fluctuations continue to be mostly accidental, and are de-
rmined quite largely by the character of the orders, The tendency
ward carrying charges continues, and we believe that with the de-
and for wheat only spasmodic, and large supplies in the country
at the May delivery will finally go to a carrying charge under July.
also think that July and September futures will widen further. As
market forecasts, there is too much political uncertainty and too
ittle trade for one to have decisive opinions.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO March 10,1934.

Fluctuations during the week have been the narrowest in some
ime; and while the domestic wheat demand has not improved much,
aders may hardly disregard the many inflationary possibilities
ich Washington has at its command. Mention is also made in one
our newspapers that Canada may devalue its dollar, and recent
rength in Winnipeg may be attributed partially to that considera-
on. Silver shares are reflecting advices from the east that the
use Coinage Committee would meet soon to consider reporting the
lver bill. The treasury agents have been listing the names and
ldings of owners of silver metal in New York, where the accumula-
on of bullion is supposed to be in the vicinity of 200,000,000
nces. The treasury possesses about 500,000,000 ounces of silver,
inging the total stock of the country to about 700,000,000 ounces.
course any revaluation of this metal would yield a substantial
ofit to the treasury.

Other inflationary measures would include the use of the treas-
y's unencumbered gold as one item; as another, the direct result
the government deficit which is being financed very largely by
e creation of bank credit; and, thirdly, our large gold imports.
nce February 7th the supply of the United States has increased to
e extent of about $520,000,000, and this has been paid for by
ansferring a like amount of gold certificates to the federal re-
rve banks, with the result that the credit base was expanded, also
mber bank reserves, by a like amount.

There has really never been a time when monetary influences had
be considered quite so much in connection with the writing of a
ain letter; and it may also be, just as in the past, that with
rther inflationary tendencies all commodities will not rise in
e same proportion. Nevertheless, we feel it our duty to call the
tention of our readers to these factors, just as much as the fact
at wheat supplies are ample and that we continue far above an ex-
rt level. Notice should also be directed toward possible cur-
ilment of wheat acreage as Washington advices on cotton acreage
ogress indicate reduction contracts so far are fully up to ex-
ctation and apparently the farmers are in full accord with the
ministration's policy. With this in mind, there are still a
eat many uncertainties as to what the spring wheat crop might
nally yield, and therefore it is impossible to make any deductions
this season of the year as one could ordinarily do were it not
r the outside influences.

Primary receipts of wheat were a little better today, 345,000
shels compared to a year ago, when the moratorium was on, of only
9,000 bushels. So far this week stocks at Kansas City, Duluth
d Minneapolis show a net decrease of 253,000 bushels. Clearances
th today and a year ago were nil.

Toward mid-session favorable action was taken by the House
inage Committee on the proposed bill to exchange exports of
ricultural products for silver. Wheat immediately advanced sharp-
, and with offerings light it was not difficult to bring about a
lly of nearly 2 cents from the low point of the day. Other grains
re also sympathetically affected by the advance of the leading
real, and there was some comment because of the fact that the
nate voted to include rye and barley in the basic commodities
der the terms of the AAA. We believe that markets will be
minated from time to time by monetary influences, but we would
t lose sight of the supply and demand picture; and as long as
ere are such conflicting influences at work it is difficult to
ke any pronounced forecasts.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

March 12, 1934

Despite the many political uncertainties and the continual ew bills which are brought up in Washington, business stays on a airly even keel although most comparisons are made with the deression depths from which we are ascending. The news on Saturay suggested that the various silver bills pending might offer urther inflationary tendencies, and of course there are plans for possible silver demonstration in congress this week; but it is ifficult to state whether the administration favors any such egislation at this time. There has been a great deal of speculaion in this metal for private account, and no doubt a great many ersons who made purchases would benefit very materially from any nhancement in prices, as would also the treasury, with its large oldings. Nevertheless, because of this private speculation it ight not be deemed judicious to push the silver bills unless there hould be a lag in business a little later which would justify furher monetary changes.

Even on the assumption that the old rules of money and bankng have become inadequate, still there has been nothing accomplishd in the way of a remedy, because at the present time we are workng with practically no rules at all. This is responsible in a inor degree for making people less conservative, resulting in a esire to protect their holdings through speculative means. Of ourse there is not the momentum which we had last July and August hen the administration came out every few days calling for higher gricultural prices and insisting that those levels would finally reached. However, every business and investment venture reains essentially a speculation in money; and to that end orderly ecovery is being hampered because there cannot be the usual inestment in private industry.

It is well known that investment policies, even to the extent trust departments in banks handling money in safekeeping, must esort somewhat to more or less speculative issues in an effort to reserve capital against monetary devaluation. The same reasonng has brought many people into commodities, although their failre in some cases to keep pace with the full devaluation is someat disconcerting; and we can see evidences of liquidation in May ontracts of such articles as wheat, corn and oats, and at times ese are being replaced with more distant deliveries of the same reals. May and July wheat today sold at the same price with nsiderable changing presumably by hedge interests. This is the rst time in a great many months that the premium for May has enrely disappeared.

The visible supply decreased very sharply, 3,548,000 bushels d the total stocks are now about 97,000,000 bushels or 45,000,000 shels smaller than last year. The shrinkage was heavy at nneapolis, probably for relief purposes, and nearly 1,000,000 shels in the Buffalo afloat stocks, suggesting that there may ve been some shifting around prior to opening of navigation. earances today were nil compared to 44,000 bushels last year. imary receipts of wheat were 521,000 bushels compared to 305,000 shels last year.

Around mid-session the market recovered from the early weakss and, with securities mounting higher, offerings became rather ght until the market had advanced almost one cent per bushel om the previous close. The fact that the bonus bill had come up r a two hour debate was given by some as the immediate cause for llish feeling. But all in all, it was simply a buying wave ich caught the market rather bare of offerings. Little moisture consequence had been reported over the week-end and indications e for mostly dry weather and moderate temperatures.

Coarse grains derived some benefit from the improvement in eat. Corn stocks decreased 1,293,000 bushels for the week. The tal supplies are still close to 65,000,000 bushels and a very ch larger figure than was the case last year.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

13
CHICAGO March 13th, 1934.

Early in his administration Mr. Roosevelt announced frankly
at he was an experimentalist and would make some mistakes. He prom-
ed to rectify these as soon as he had been convinced that he was
ong, and further stated that he would be satisfied if he maintained
reasonably high batting average.

There is no doubt that this country, with its great natural
sources, its enormous gold reserves, and its strong position in the
ternational economic system, can withstand much; and even should
ne experiments prove unwise they may not be overly burdensome. The
portant consideration has been and still is the manner in which
covery can best be attained. There are many economists who still
el that large-scale spending might satisfy mob psychology for a
me, but this feeling of wellbeing is not likely to last without con-
nued stimulation. Whatever additional debt burden we incur now
ght not be so bad in itself if we can feel that it might be carried
er to more normal times and that in turn the good years may have to
y the extra costs of bad ones.

The great fear, even at this time, is that the huge govern-
ntal benevolence, once started on a large scale, could not easily be
lted without creating a new and major crisis. To that end, public
tention has already been directed toward the setting up of new
ganizations in order to employ a part of the 4,000,000 men who will
thrown out of work as the CWA becomes gradually dismantled. Un-
ss private industry can engage those now being deprived of their
sitions, it is felt that treasury funds will have to be expended to-
rd public relief. Otherwise, a complete change of policy might
ove very harmful and precipitate disorders. Therefore it is not
ry probable under the circumstances that we may look for a discon-
nuance of this type of expenditure; and, in fact, might even
ticipate its further growth. In the light of past experience we
ow that additional taxation could only partially take care of such
creased outlays, and therefore continuation of deficits in the
dget is apt to go on longer than was at first expected.

With this constantly in mind, nobody can doubt that certain in-
ationary tendencies are still with us. There are of course a great
ny others, and hardly a day passes but that Washington reports
ntion the possibility of either a silver demonstration or bonus
gislation, which are still possible factors although not likely to
ve the presidential sanction.

Bradstreet's exports of wheat and flour from North American were
ry small this week, only 2,834,000 bushels compared with 4,452,000
shels last week. At this rate Canada is not doing its proportionate
are of business, and may have been responsible for the lower market
there, in spite of the fact that the Canadian pool is still long
tremendous quantity of futures. Primary receipts of wheat were
4,000 bushels and shipments were considerably larger. There has been
net decrease of stocks at Kansas City, Duluth and Minneapolis so far
is week of 171,000 bushels. Clearances were nil both today and a
ar ago same day.

After an early sell-off, reacting from yesterday's advance and
more news to spur the market to new highs, a period of dullness
t in. Trade on the whole was very light; in fact, speculative
terest in cotton and securities is also at low ebb. Toward mid-
ssion reports were received of very windy and dusty weather at
stings, Nebraska, also dust storms at Garden City; and this put an
d, at least temporarily, to liquidation. The May delivery con-
inued to be the weakest, and at one time was actually at a discount
der July, showing that holders of the nearby position were contented
take the July delivery at about the same price. With the demand
or milling wheat rather indifferent this tendency might continue.

Corn and oats are in a much healthier statistical position, al-
hough they also lack any speculative impetus. Without leadership
t is difficult for the local crowd to make very much headway; al-
hough it is just as true that declines do not extend very far.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

March 14, 1934

Cables from abroad were rather disappointing this morning
s they came lower again. Many had regarded July wheat in Liver-
ool around 69 cents as a fairly well established investment basis.
innipeg also has shown weakness in the last session or two and
th their futures around a 70 cent level, it becomes apparent to
ny trader in the Chicago market that bullish opinions must be
ased upon domestic considerations as there is no encouragement
atsoever from foreign markets. There was no excitement in the
ay of fresh monetary news. In fact, the President gave a very
eassuring reason for his opposition to the bonus bill, claiming it
ould open the way for printing press money. He further inti-
ated he is against uncontrolled inflation; and to that extent im-
ediate inflationary fears were quieted, There was, however,
her domestic news which gave the market an upturn after the open-
ng when reports on Southwest conditions indicated that the hard
nds and severe dust storms of the last few days may have done
ome damage to the growing crop. This is the season of the year
hen the weather is rather carefully watched. After the dormant
ant emerges from its period of hibernation everybody feels that
here should be continual moisture, particularly in a year such as
his, when subsoil conditions are below average. It has been our
wn experience that it is less important from now until July not as
the extent of moisture but whether or not it falls at propitious
eriods. Or to put it differently, a little moisture at the
ght time will be sufficient and this is brought out very well in
recent letter issued by the Shannon Grain Company of Kansas City.
ey claim that one-half to three-quarters of an inch of rain fall-
g gently and in a manner that the ground will absorb is better
r the wheat crop than three or four inches of a dashing rain fall-
g in a short period of time, which of course practically all
ns from the surface and does not have the beneficial results
ich are desired. In their summary they believe that the out-
ok is much more satisfactory than it was a year ago at this time.
any event, Kansas has always been the mystery state and trying
make an estimate of final yields during the month of March is
ry hazardous at best. There will be a government report tomorrow
timating the Spring wheat acreage; and the trade is also looking
rward to this information.

Primary receipts of wheat were 318,000 bushels compared with
4,000 bushels last year. Stocks at Kansas City, Duluth and
nneapolis show a net decrease so far of 233,000 bushels. The de-
ease is entirely at Minneapolis, Kansas City and Duluth being al-
st a stand-off. No wheat was cleared either today or a year ago
me date. The latter, through repetition, may become tiresome
our readers; but we mention it because in the past this country
s been so dependent upon its exports that when shipments were
gligible it was generally a bearish market factor. Today's mar-
t action is quite meaningless: the early advance was lost
ter weakness developed in our rye market and in Winnipeg wheat;
d whatever crop damage reports were sent in apparently were not
companied with much buying power, and the market continues to
ow that leadership is needed.

Corn, if such is possible, was even duller than wheat and most
the activity was within a range of 1/4 cent per bushel. We re-
rd coarse grains as a sounder investment. It should not be
rgotten that foods of all kinds last year were raised only in
derate quantity and before the end of the season this might still
felt.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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EW YORK COCOA EXCHANGE
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141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO March 15th, 1934.

Appearances would indicate that the administration has concluded that hasty action has not proved strategic in all cases. Many of the new policies were undertaken amid such confusion and thrown together with such dispatch that they were actually harmful instead of salutary. We have in mind the formation of the CWA, the cancellation of air mail contracts without a trial and without provision for proper replacement; also the securities act, which in many cases has prevented the issuance of new flotations of the usual calibre. Apparently reconsideration of the above problems has led those in control to assume a more timely and a more conservative attitude. This was evidenced yesterday by the President's opposition to the bonus bill on the plea that it might lead to uncontrolled inflation through printing-press money.

It is also a fact that advantage has never been taken of the Thomas amendment, which empowers the President to issue greenbacks. This morning comes the statement from Mr. Morgenthau, Secretary of the Treasury, that he opposes taking any action with regard to silver at this time, and the fact that these outright inflationary measures are being duly weighed is certainly of satisfaction to the American public.

No one of course minimizes the possibility of further inflation through credit expansion, which might give us a different kind of boom later on; but at least the latter allows for some exercise of control, and if the administration's spending is curtailed it affords an opportunity of preventing a too-rapid advance.

Some of the recent buying in grain markets was based on the assumption that we might have a form of wild inflation in the near future, and as a reaction to the recent policies some selling occurred in the various pits today, and there was the added fact that the Kansas weekly crop report was not nearly so apprehensive in its summary as one would have imagined from the private reports recently circulated. They claimed that wheat had continued to improve in almost every part of Kansas, and is now generally good with sufficient moisture in top soil for the crop in practically all parts. They do mention, however, that subsoil over the state is very dry and that much more rain will be required to moisten it satisfactorily. The question of moisture is an important one, and the northwest thus far has remained more than normally dry since last autumn, so that abundant rains must fall if we are to get good crops. On the other hand, it is not likely that the drought of last year will be repeated during the next six months, therefore with average rainfall one may still be fairly optimistic at this time.

Shipments of wheat from the Black Sea were 312,000 bushels this week, almost as much as the previous week, and compare with 64,000 bushels last year. Argentine estimated shipments were 4,225,000 bushels, or practically the same as last year.

Primary receipts today were 302,000 bushels, while in 1933 they were 483,000 bushels. Kansas City, Duluth and Minneapolis stock so far this week show a net decrease of 492,000 bushels. Clearances were nil.

As the market progressed and weakness developed in securities, cotton and silver there was a mild amount of liquidation, although trade again was very light. The fact that Winnipeg May wheat remains about 20¢ per bushel under the same future in Chicago is discouraging; and we have mentioned before that if there are to be bullish influences they must come from domestic sources. The trade awaits the government report this afternoon, which will estimate spring plantings.

Corn remained quite firm, despite weakness in rye and in wheat, and new pressure on this cereal is very light. The open interest in the May delivery is still quite large, and we feel as though there will be a widening of carrying charge between May and July.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO March 16, 1934

Individual thought is coming more to the foreground during the
st few weeks, and leaders and economists are less fearful of being
the wrong side of mob psychology. Congress is asserting its in-
pendence to a greater extent and has started voting the expenditure
money, as in the case of the veterans' bonus payment, without re-
rd to presidential sanction. Before we knew much about inflation,
was conceded by many in power that something would have to be done,
d under the leadership of certain economists we forged ahead under
direct program to devalue our currency, although recently there has
en some opposition to some of the tendencies and more outspoken
ought.

It is questionable, without the huge amount of public expenditure,
st what would have been accomplished so far by simply reducing the
ld content of the dollar; and, as expressed by Professor Ivan Wright,
s for the long-term benefits of devaluation, there is still more
scouragement." His statement is to the effect that prices in gen-
al adjust themselves after a long period to the new gold value of
e unit of currency, and this is shown to be correct in the instance
France, where gradually prices rose to about five times their pre-
ous worth after the money had become proportionately that much lower.

Likewise, we might expect similar rises in the United States to
rrespond to the new value of our dollar, although it will take time.
ny are pointing out that there are maladjustments in prices during
intervening period which will probably hurt more people than it
ll benefit. Wage earners, for instance, will find prices increas-
g faster than wages; and, similarly, bondholders and beneficiaries
insurance will find themselves confronted with declining buying pow-
. Of course the large issue still before us is whether devaluation
ll finally stop at the present level or whether we must look for-
rd to a still further drop; and to that extent speculative trades
e still largely based upon the final value of the dollar.

The overnight news disclosed that good snows had fallen in the
rthwest, with indications of more; and this moisture is very likely
work southwest into the central states, possibly extending as far
Kansas. As these sections, and particularly those in the north-
st, have been dry, moisture at this time should prove very benefi-
al.

The government published figures estimating spring wheat plant-
g. It believes that the 1934 acreage will be 97 1/2 per cent of
st year's standing area; but, as the abandonment was quite heavy,
is actually means more than a 2 1/2 per cent decline from the plant-
acreage. In any event, the government is not making the head-
y which it had desired toward getting a 15 per cent acreage cut ac-
rding to the London agreement, and it remains to be seen how the
nal program will work out. The Modern Miller in its weekly report
s about the same summary of conditions as we outlined yesterday,
d while the winter wheat crop is not suffering now, good rains would
eatly benefit the deficient subsoil condition.

Primary receipts of wheat today were 315,000 bushels while a year
o they amounted to 508,000. Stocks at Kansas City, Duluth and
nneapolis show a net decrease so far this week of 610,000 bushels.
earances were again nil which was the case last year also.

About mid-session there was a recovery from the inside figures
the day with dust storms reported in a number of sections of Kan-
s and Nebraska; but if moisture develops tonight this will change
e picture.

The silver market was very weak yesterday due to Mr. Morgenthau's
oposed policy. But when it became known today that Speak/Rainey
uld break with the administration and endeavor to push thru con-
ess a bill to export agricultural products in return for silver, the
ite metal rallied substantially; and this had a sympathetic effect
on grains, effecting principally the deferred months. July wheat
ld at a premium of 3/8 cent over May, which we believe is the wid-
t carrying charge so far. Other grains were helped by the recovery
the leading cereal and trade on the whole was not large, although
nsidered somewhat better than yesterday.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

March 17, 1934

The silver issue has lost some of its influence market-
ise. There will probably be a demonstration or two some time
ext week, and Speaker Rainey, who has broken with the adminis-
ration, will allow a vote on the question; and apparently two
ilver bills will be brought to a vote on Monday. Aside from
ther considerations, it is thought that the recent investiga-
ions by the treasury and its agents might disclose certain
ists of names and holdings of some of the owners of the white
etal in New York, which might make legislation in this direc-
ion somewhat objectionable from their viewpoint, as it has been
tated that certain interests might have gone long silver futures
n anticipation of this new legislation. Nothing has been brought
o light yet as far as we know, although the treasury has asked
he cooperation of the Senate Banking and Currency Committee in
elving into the recent market advance.

Possibly due to the fact that nothing concrete may come
f the various bills now pending, there was a lower stock mar-
et in New York; and this had a somewhat depressing effect upon
he grain market, although at no time were futures here very
uch higher than at the previous close. Some disappointment was
xpressed that moisture in the southwest was not as great as had
een expected, although just at this writing a few snows are be-
ng reported in western Kansas; and our Mr. Johnson, who fore-
asts weather, believes that despite the official prediction
here might be some more moisture between now and Monday. It is
till dry over a very large area, although the season is in no
ay comparable to last year when there were practically no
ains for weeks at a time; and very little suffering has taken
lace during any period where a rain or snow did not come within
short time to alleviate any apprehension that may have existed.

One of the surprising issues is the weakness of May wheat.
rdinarily owners of the nearby position would not be prone to
iquidate their holdings at so early a date. However, they ap-
arently feel that there is nothing in the immediate situation
o bring about higher prices. With the idea that some patience
ust be exercised, they are evidently satisfied to go into the
ore distant months, probably figuring that inflation will not
ring about the rapid advances which proponents of the monetary
lan had urged; and they are now hoping that the element of time
ill be in their favor and that gradually commodities will rise
n proportion to the devalued dollar.

Opinions are still extremely difficult, as influences out-
ide the grain market seem to dominate even to a greater extent
han statistics. Therefore precedents do not count for much, and
ne must usually look forward to the daily developments in Wash-
ngton even for the daily swings of the market.

Primary receipts of wheat today were 400,000 bushels vs.
68,000 last year. Clearances were nil today, as was the case
ast year. So far stocks at Kansas City, Duluth, and Minneapolis
how a net decrease of 599,000 bushels. Most of this is at
inneapolis, probably reflecting more relief purchases made by
overnmental agencies.

Corn was little influenced either by the action of wheat
r by its own news. The trade is reconciled to the fact that
ext year's acreage will probably be cut 10 per cent, but it is
ust as likely that feeding might diminish in the same proportion;
herefore no great certainties exist in that cereal either.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO March 19, 1934.

At the close of business on December 31st, 1933, May wheat
sold at about 85 1/2¢, and during today's session it ranged about
-cent per bushel higher. The open commitments at that time for all
utures of wheat were 133,000,000 bushels, which have been reduced
n the meantime to 119,000,000 bushels, showing that the public is
radually losing interest in this primary cereal as a speculative
ommodity. The reasons are not difficult to obtain. Prices had
ot been entirely influenced, as heretofore, by supply and demand
onditions, but very largely by Washington actions, and therefore,
t became more and more difficult to use one's judgment as to the
rend of prices. The same conditions still exist, and it will be
ncreasingly hazardous to guess future values.

While the size of wheat production was always an uncertain
uantity, much depending upon the weather, the consumption until re-
ently did not vary very much from year to year; it was larger when
he price was very low, because then a great deal was fed to animals,
ut otherwise this item was more or less fixed. As far as the dis-
ppearance of wheat was concerned, the one great question was the
mount of export business, which on account of the varying crop re-
ults in Europe created different opinions, and caused some to buy
nd others to sell as they viewed the situation. This last item
ow has also disappeared as a matter of argument, as under ordinary
ircumstances there will be no wheat exported, our markets being
ay out of line. However, there is still the question of how much
heat will be shipped abroad, provided the government agencies are
illing to take a sufficient loss thru subsidy. There is no room
or doubt that our wheat prices would be lower now had it not been
or the fact that perhaps 15 to 20,000,000 bushels had been shipped
broad from the Pacific coast at great sacrifices. Also some quan-
ities of wheat had been given away to feeders where other cereals
t a lower price would have served the same purpose; but this all
as done to sustain values, and in this the AAA evidently was suc-
essful. These artificial stimulants were needed in spite of the
act that we had raised one of the poorest wheat crops in forty
ears; and consequently, with the better prospects this coming sea-
on, more governmental efforts will be required to maintain the pre-
ent level of prices. The question then arises: Will the govern-
ent continue to pour out money to help farmers regardless of other
onsequences, or will this policy stop at some time? That the
armer so far has benefited very largely is hardly a controversial
oint. He is very much happier, he is receiving better prices all
round for everything he produces, he has received large cash pay-
ents, and his prospects are immeasurably better than they had been
n many years. We all know, however, that this has compelled large
utlays of money on part of the government, thereby increasing our
ebt considerably, which cannot forever continue.

On basis of present taxes, our national income from all sources
s now about $3 billion, and possibly might rise to $3 1/2 billion.
f we are not careful each of the following five departments will
ake about $800 million to $1 billion yearly from now on if we con-
inue at the present rate and might gradually increase:

1 - Interest (estimated)	$1 billion
2 - Army, Navy and Airplane service	$800 million
3 - Relief	$1 billion
4 - Farmers are now more or less used to contributions of about	$800 million to $1 billion
5 - Veterans	$800 "

ot figuring the other administrative expenses; so that the total
utlay could easily amount to $6 billion or more. When that time
omes some economies may be practiced, and the policies are likely

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CHICAGO 3-19-34

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to be changed. In fact the administration considered them only emergency measures. For the speculator, it is well to consider what the next step will be, and what cereals will sell without artificial help. Of course, there is still the possibility of further inflation; in fact, inflation by most governments has been caused through unbalanced budgets.

Primary receipts continue quite favorable compared with last year-- 540,000 bushels against 594,000 same period in 1933. There were no wheat clearances; and the visible supply decreased .., 2,184,000 bushels versus 3,350,000 a year ago, but the total is still 44,000,000 bushels less than it was last year.

Weather conditions over Sunday were ideal east of here, but there was the smallest amount of precipitation in the west. The outlook is for more dry weather in Kansas and Nebraska.

The market acted weak most of the session, partly influenced by declines in stocks and the impending strike in the automobile industry, which would have a bad sentimental effect. At the close the wheat market showed a decline of about 1/2¢ compared to Saturday.

Corn and oats were also lower in sympathy with wheat, but the fact that we are very close to an export basis on corn, and that world shipments of same are very small, puts this cereal in a very much stronger inherent position. Primary receipts of corn are gaining again, amounting to 955,000 bushels today against 531,000 a year ago. The visible supply showed a decrease of 715,000 bushels, but total stocks are almost 28,000,000 bushels larger than last season in spite of a very short crop. Oats remain extremely neglected.

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CHICAGO March 20th, 1934.

The Dies silver bill passed the House by an overwhelming vote last night ter the grain markets had closed. This may be in some degree important to the lue of cereals, for if we understand it correctly it really means nothing else an a subsidy under certain conditions to the export trade for wheat, corn, rye, ts, etc.

We ourselves are at a loss to understand why this roundabout way should be ken to stimulate exports if the final intention is to do it through bounties. cording to the terms of the bill, it would be possible to export grain and take lver in payment , the government to pay a premium for the latter above world's ice. Of course, the government could accomplish the same results by buying silver ywhere it wished at the lowest prices possible and paying subsidies on grain exrts.

The slight effect on markets of the passage of this bill can only be exained by the assumption that it will not be enacted into law but will either be feated in the Senate or be vetoed by the President. It seems scarcely in accord th the policy outlined by the President, at a time when he is trying to make ade agreements with other countries for reciprocal exchange of goods, to start ying bonuses here and selling cheaper abroad than at home.

It seems rather strange, also, that so many minds in congress should occupy emselves so much with silver. The total output of all our mines last year was ,000,000 ounces, which at the then prevailing prices had a value of only about ,000,000. This, considering that our national income is supposed to be about) billions, constitutes but one seven-thousandth part of that figure, a very innsequential sum. Besides, this $6,000,000 represents the total realized for oduction, not profit or income. Of course at the artificial price which the govment now pays, 64 cents an ounce, that quantity would be worth more than $15,-),000; but that also is a very insignificant amount.

One who has not the time to read past world history to find out how all the rious silver bills and efforts of other nations have failed need not go beyond erican history to form a good guess as to what will happen five or ten years from v. The Bland-Allison act was enacted on February 28, 1878,and provided for the nthly purchase of $2,000,000 to $4,000,000 worth of silver. In 1890 this bill s superseded by the Sherman act which provided for the purchase of 4,500,000 ne ounces per month and was repealed November 1, 1893. During the life of these lls activity in silver mining increased to such an extent that the ratio between d and silver widened to a degree causing the hoarding of gold, and loss of confidence in silver money; hence these bills were abandoned.

The news from the wheat fields in the southwest is still conflicting; some nage will be done as long as the drought exists in various districts, but neverheless on the whole the outlook is so much more favorable than last year, and th seasonable precipitation from time to time the prospects are for a crop conlerably larger than our home requirements. With a probable carryover of about),000,000 bushels of wheat on July 1st, there will be no scarcity, but there will en be a sufficient plentifulness, so that exports will become necessary thru a line in prices here, thru an advance abroad, or thru government help in the way subsidies. Exports of wheat and flour from all of North America continue to be a very small scale, although somewhat larger than last year, when they were 353,000 bushels, while the past week they amounted to 3,781,000. Up to the prent time North American shipments were 67,000,000 bushels less than the previous ar; and it now looks as if Canada, which had made such a strong fight for as ge a quota as possible for export at the London Conference, will not even be e to sell as much as was alloted her, and the United States is also falling way hind.

For the immediate future it will require a new stimulant to change the solute disinterestedness in speculative buying on part of outsiders. The open erest in May wheat while considerably reduced is still very large, and unless speculative buyers enter the market further declines might be brought about rough the liquidation of previous holdings, as the wheat is not moving into conmption fast enough to absorb large offerings.

Toward the close a report that the outlook was for a strike settlement, or least for a delay, caused heavy buying so that finally the market closed 1/2¢ bushel higher than yesterday.

Stocks of wheat at Kansas City, Duluth and Minneapolis so far this week show et decrease of 195,000 bushels. There were clearances of about 18,000 bushels. mary receipts were light- 340,000 bushels compared with 405,000 a year ago.

Trade in corn, oats and rye remains insignificant, and fluctuations are very mportant. The trade has great confidence that finally corn prices will rule her. We are not far from an export basis, and we are assured of a largely reed acreage the coming season. It would be very exceptional if we would not have p scares during the summer months. It is a little too early, however, to expect nediate and quick profits.

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March 21st, 1934

With the many uncertainties existing at the present time,
ere was practically no incentive to trade in wheat. There was a
all decline at the opening in sympathy with a lower stock market,
ter which time the pit was ocassionally deserted during some of
e trading hours. Just at the moment nobody knows yet whether the
reatened motor strike will be averted or not, or whether the stock
change bill will be modified in such a way so that confidence in
curities' values can be restored; and until there is more clarity
these points, outsiders are not likely to engage in heavy commit-
nts in commodities. The orthodox trader who cannot forget past
periences continues to have in mind that the 59-cent dollar finally
ll mean what it says; and on that basis wheat is selling practically
about 55 cents in gold, which always has been considered a very
w price, except when extraordinary conditions existed. He knows,
wever, that this adjustment which always came about in the past
en currencies were devalued takes time, and prices might not re-
ect it possibly for a year or two. The fact that it has not
rked as wasexpected is no proof that it will not do so later on.

Assuming that we shall have normal weather conditions from now
, a harvest of a new winter wheat crop will be in sight in about
ree months, with a probable carry-over left from previous crops of
0 million bushels. The outlook is neither uniformly good nor bad.
ere are some bad spots in the southwest, but the average amount of
nter killing may not be above the normal. The prospects are for
much larger crop than last season; and at the present time it is
t unlikely that we shall harvest close to 700 million bushels of
ring and winter wheat, which would be 50 million bushels more
an our normal consumption, with no outlook for export unless the
vernment will resort to subsidies. It will be necessary at least
the beginning to find new buyers, as the farmer is always anxious
sell his wheat faster than the consumer can take it during the
rst two or three months of harvesting. The fact that margin re-
irements according to the new code, at least for big speculators,
ll be heavier than heretofore is not conducive to find these new
yers, unless conditions should become more one-sided, so that he
uld feel absolutely sure of quick and large profits on the buying
de. Whether events will so shape themselves so that these pros-
cts become more of a reality remains to be seen.

At the end of the session reports from the southwest became
re insistent that considerable damage had been done to the grow-
g crop on account of dust storms and heavy winds last week; and
so great stress is laid on the continued lack of subsoil moisture.
is has brought about some recession from the lowest point and the
ose was about 1/4 cent lower than yesterday.

Stocks at Kansas City, Duluth and Minneapolis so far this week
w a dedrease of 320,000 bushels. There were no clearances what-
ever, Primary receipts are light- 366,000 bushels compared with
,000 bushels last year.

Corn and oats also suffered small declines; but transactions
these cereals were extraordinarily small, and the fluctuations
re very slight again. Rye was practically unchanged.

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March 22, 1934

French exchange sold today at about the highest point since ur devaluation, taking 6.62 cents for the franc compared with 3.91 nts normally for the dollar, or an advance of 70 per cent. This s important insofar as it shows how the world has responded to our rrency devaluation, because all the other foreign exchanges in the ld countries acted similarly. At this point it is no longer ssible to export gold from abroad to this country, and any further lvance would bring about importations, provided they would be per- tted. It shows that for self-protection, as the reserve banks in rope cannot afford to lose more gold than they have already lost, ey are compelled to adjust trade balances accordingly; and they can- t afford to import larger quantities of merchandise than they can y for, either thru exports or thru invisible incomes. This, in our inion, will have a tendency to deflate commodity prices abroad,as ney or gold will be more important to them than anything else; but this country it will have the effect of a gradual inflation in or- r to equalize prices with the balance of the world. This is how flation usually works, and we do not think our case will be an ex- ption.

Therefore, in trying to figure values for the coming crop, out- de of crop conditions there must always be borne in mind what pos- ible inflation may do to values, although it seems to be forgotten d ignored at the present time.

To show the total indifference to commodities as far as traders e concerned, we wish to point out that the total volume of trade sterday in wheat, corn, oats, rye and barley amounted to only ,339,000 bushels compared with 30,949,000 bushels same date last ar and 61,687,000 bushels in 1932. There is no question, however, at the high sale's tax on futures was also a distinct detriment to e volume. Therefore, we think it is a great step forward that this s likely to be changed. Chairman Harris announced that the tax on ansfers of produce on the commodity exchanges was reduced by the nate Finance Committee from 5 cents to 1 cent per hundred dollars lue following recommendations of officials of the Grain Futures Ad- nistration. The reduction was written into the tax bill now before e committee. Those who take a great interest in the farmers' wel- re have justly come to the conclusion that a big broad market is eded when cereals move in volume; and traders can only be encouraged make commitments if taxes are not so high that it is impossible to alize profits.

There was no material relief, as far as precipitation is con- rned, in the southwest. There was some snow in northern Nebraska; t this is about the only territory where the weather map showed mois- re. During the day some more snows or rains were reported in other rts of Nebraska; but it is by no means general as yet, although a ttle may develop overnight. Nevertheless, some fairly high esti- ates of the winter wheat crop were given to the trade by one of our op experts; and to say the least, there is nothing alarming as yet the situation provided we shall have normal precipitation from now n.

A minor influence at times was the greater probability of the reatened strike in the motor factories being averted. A conference s going to take place between the opposing parties. As there is much at stake, in all probability concessions will be made on both des so that the business recovery may go on. Sentiment is a great ctor in the market and a settlement of the strike would no doubt use a better feeling in the stock market which is always reflected grains.

Primary receipts of wheat continue to be very light, only 5,000 bus. compared with 493,000 last year. There were no clear- nces. Stocks at Kansas City, Duluth and Minneapolis show a net de- rease of 398,000 bus., pointing to another fair sized decrease in the sible supply on Monday. At the close of the market wheat was 1/8¢ gher than the previous close.

Corn, oats and rye continue to be neglected. The volume of ade in these cereals is so small that any large order could not be ecuted on either side without influencing the market way beyond its gnificance. Oats and corn closed practically unchanged and rye s a little higher.

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CHICAGO March 23rd, 1934.

Surprise is expressed sometimes that Professor Warren's heories have not yet worked according to his predictions. He claim- l in order to restore a higher price level, currencies would have o be depreciated. Even orthodox economists agreed with him that all ast experience of other countries led to this inevitable conclusion.

We also believed, and still do, that in the same degree as ne gold content had been reduced, values in due course of time hould be proportionately higher. However, there are good reasons hy this process should take a longer time in this country than it had aken in others, where the same experiment had been tried before. We oubt if there is a case on record in history where a country went f the gold standard when supplies of its precious metal were the rgest ever held by one country; where the trade balance was in its avor; and where that country also wqs a creditor nation. Certainly one of these conditions existed when either France or Germany went f the gold basis. Germany had hardly any gold left; it had large nternal and external debts, and its importations were much larger han its exportations. France was in a similar position, only to a naller degree; and even England's gold supply was diminishing very ast. England's import balance is always very large, although it had ne advantage same as we have, that it remained a creditor nation. nder the circumstances more effort will be needed here to bring bout the desired result of a higher price level; but with the cur- ilment of acreages, restriction of output generally, higher wages, tc., we believe it will only be a question of time when it will ome. It will remain difficult to predict this time element, but in orecasting prices, the possibility of probable further inflation hould never be lost sight of.

The grain trader, however, is not theorizing at the moment n what might happen a year or two hence, but the many uncertainties xisting now prevent him from entering into new commitments. The act that the threatened motor strike has not yet been settled, and he further fear that the new stock exchange bill might be enacted nto law and have the dire consequences that some predict, might also nfluence the over-throwing of some long lines of wheat and corn. herefore, most traders hold themselves aloof at the present time. esterday's volume of trading in wheat was less than 9,000,000 ushels, and it may be still further curtailed today.

There were some snows in many parts of the western country vernight; they were infinitesimally small, but more is predicted oday. According to Mr. Johnson, who has made a study of meteorol- gical conditions, more will probably follow during the next 48 hours. he trade is very much impressed with the fact that the subsoil oisture conditions in the northwest are also very bad, but it is too arly to get up a crop scare before even an attempt has been made to eed, and it will be four weeks yet before it would be too late to o that.

The cash demand is extremely dull. Stocks at Kansas City, luth and Minneapolis so far this week show a net decrease of 427,000 ushels. Primary receipts were 335,000 bushels compared with 541,000 year ago. No clearances were reported.

Nobody any longer pays any attention to the Liverpool quota- ions, which had guided us more or less for 80-years, as all calcula- ions are made on basis of the domestic situation.

We have to bear in mind that next month there is bound to be tremendous liquidation in wheat, as well as corn. The open interest May wheat is over 70,000,000 bushels, and corn over 68,000,000 ushels. While usually the same holders continue to carry their en- gements, the situation might be different this year as larger mar- nal requirements will be needed, and there will be a tendency to rtail. We do not feel that the market is in a position to absorb y amount of heavy offerings unless new buyers come on the scene, d at the present time they are not in sight.

The wheat market closed about 1/8¢ lower than yesterday.

Corn, oats and rye were all neglected, and fluctuations the allest possible.

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CHICAGO March 24th, 1934.

The great probability that the threatened strike in the motor
ndustry will be averted and that an arrangement will be made be-
ween the contesting parties, caused a stronger opening in the stock
arket, which improved sentiment was immediately transferred to
otton and wheat, both of which opened higher. Had the strike
ctually taken place the effect undoubtedly would have been very
ad until a settlement could have been reached, and more men would
ave been thrown out of work than the NRA could find employment for
n many months. In the meantime the motor industry has agreed to
horter hours and higher pay per hour, all of which is in accord-
nce with the present spirit. It is impossible to devalue the dol-
ar, reduce the production of essentials such as wheat, cotton,
orn, hogs, etc., and raise prices of the necessities of life without,
t the same time, raising wages. So in this way inflation is work-
ng according to rules. In the last analysis, of course, it will
ecome important whether sufficient new wealth can be created in-
efinitely with a smaller production and higher costs, in order to
rovide sufficient accumulations for business expansion after the
roper expenses are paid. In the meantime the tendency will continue
oward raising price levels, except where special conditions exist.

The more hopeful feeling which had been created with the
vernight news continued during the session, and at the close wheat
howed an advance of 5/8¢ per bushel compared with yesterday.

There was further encouragement on the bull side when a crop
eport issued by the Cargill Elevator Co. was given publicity, show-
ng a sensational moisture situation in the spring wheat district
the northwest. There is no question about lack of subsoil mois-
ure, but it is entirely too early to come to any positive con-
usion. The spring wheat crop has not yet been seeded, and there
ould be plenty of time for the possibility of a good crop even if
he seeding would not take place four weeks from now. Nevertheless,
is important to watch the weather, as it will be one of the
ominant factors in shaping values from now on. The official wea-
her prediction for the coming week is not particularly promising.
he outlook is for temperatures mostly below normal, with possibly
ne or two precipitations. The fact that the word "possibly" is
sed and not "probably" does not indicate much hope for immediate
elief.

Trade yesterday was abnormally light; the total turnover in
ll futures of wheat was only 4,583,000 bushels, something quite un-
recedented. However, should crop scares develop speculators might
more tempted to come in the market again.

Stocks of wheat at Kansas City, Duluth and Minneapolis show a
et decrease so far this week of 495,000 bushels. The decrease in
he visibly supply probably will be smaller than a year ago. There
ere no clearances reported. Primary receipts are small compared
th the previous season-- 487,000 bushels versus 779,000 in 1933.

Corn hardly benefited from the strength in wheat, this cereal
eing so entirely neglected, and at the close showed an advance of
/8¢ per bushel.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO March 26, 1934.

As was anticipated the threatened motor strike has been verted, which created a better sentimental feeling in the business orld. Ordinarily it would have helped the wheat market a little ere it not for farily good snows which were reported in parts of exas, where moisture was very badly needed. There was moderate preipitation in Oklahoma and east of the Mississippi river, with fair mounts in other parts of the country. The northwest continues to emain dry, but as we mentioned before, it is much too early at this ime to create a scare, as wheat can still be seeded to good adantage during the next three or four weeks.

As the grain code has now been signed, the market trend will e guided more by actual grain conditions than by Washington news. he actual wheat demand still continues to be very light, and everyody is wondering whether the May liquidation to come will proceed n an orderly manner. As long as the sales tax remains in effect, nd as margin calls will be higher, there is the possibility that a umber of outside speculators who had accumulated large lines of heat might be tempted now to dispose of same inasmuch as there is o further immediate monetary inflation in sight. Should this happen nd new investors remain as scarce as they are now, the tendency cerainly would be downward. As an offset, of course, there is a weekly ecrease in the visible supply, and today again it amounted to ,265,000 bushels; a little larger than last week, but almost one illion bushels less than the same week a year ago. The total amount ow is the smallest in some time-- 92,643,000 bushels compared with 36,000,000 bushels the previous year. Of course, if comparisons re made with years prior to the farm board's activities, even the educed figures of this year would look very high.

From now on much will depend upon the outcome of the new crop. hose who were inclined to give a pessimistic report talked a great eal about the appearance of greenbugs, which influenced the market or a while; but this would be such a minor danger that we think it ight just as well be ignored.

Primary receipts are keeping up surprisingly well considering he shortage of the crop, today being 654,000 bushels versus 907,000 year ago. It is quite remarkable that in spite of the terrible rought last summer, which reduced all crops to practically the owest number of bushels experienced in many years, nevertheless the isible supply of wheat, corn, oats and barley is actually larger han in 1933- - amounting to 218,000,000 bushels this year against 09,890,000 same week a year ago. Although during the last few ears while the government had succeeded in getting rid of its acumulated surplus of over 200,000,000 bushels of wheat, it now has ccumulated about 200,000,000 bushels of corn instead, which the armers hold under government seal until October 1st. But what will appen when the farmer needs his cribs for another crop which will ecome ready for marketing, is difficult to tell.

At the close, the wheat market was 1-cent per bushel lower han Saturday.

Primary receipts of corn are larger than last year; and the isible supply decreased only 134,000 bushels, and is still 28,000,000 ushels larger than the previous season. We need an improved deand for corn to boost prices, or an export outlet, but as long as he number of hogs is being reduced consumption can only increase hrough extremely heavy feeding to those which are permitted to surive. The corn market at the close showed a decline of 1/2¢ per ushel.

Oats and rye remained neglected and sympathised with the deline in the other grains.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO March 27, 1934.

The important news overnight was the positive statement by our President that he wished speculation in securities and commodities curtailed. This at once affected not only all securities dealt in on the exchanges, but also cotton, wheat, silver, rubber, etc. It was known, of course, right along that the President and perhaps as far as this is concerned, the majority of Americans are opposed to any wild gambling. Many laws are on our statute books already prohibiting same; but there always was a very close distinction drawn between speculation and gambling. In fact, the English language would not have in use these two words unless there would be some difference between them. Therefore, the effort at drastic curtailment of what may be legitimate speculation was quite a shock.

The London Stock Exchange is a very much older institution than ours. It played a most important part already during and after the Napoleonic wars. We believe the rapid development of our country and particularly the extensive building of our railroads would have been impossible unless there had been free open dealings in securities at that time. Our market until 1914 was always largely dependent upon European quotations in American securities. From then on for the last twenty years the New York Stock Exchange became the world's greatest institution. Its members earned big commissions through trades from abroad, and it certainly would be a pity if we were compelled to give up our supremacy and send orders for American securities again to London where there are less restrictions and where margin requirements are quite reasonable. There is nothing in the world that is absolutely perfect. It would be useless to argue that reforms on New York stock exchange transactions are not in order; but usually when we go to extremes we fail in our endeavors. Many economists still think that the capital tax in 1929 had as much to do with the senseless advance in security prices and the consequent debacle afterwards. Stocks were held even after the owner thought prices were too high, because he wished to avoid paying excessive taxes, which finally caused such a scarcity, and security prices advanced way beyond their values. We think the American people are fully prepared for reasonable regulations and changes, but think a middle course should be pursued, or at least given a trial until it can be more clearly shown what the effects would be.

It is quite clear that actions too radical in either stock exchange or commodity bills will restrict the volume of business still more. In fact, this is the chief intention. As far as grains are concerned, the results, in our opinion, would be disastrous at the moment. We pointed out yesterday that in spite of the smallest crops of all kinds of cereals in over twenty years, the visible supply is much larger than last year; same is being carried at the present time largely by speculators, and should they become frightened and wish to dispose of their lines it would have a depressing effect. Particularly so now when May liquidation is staring us in the face. There is no adequate demand for grains at this time to induce anybody to take delivery and continue to carry them. With this in mind traders paid no attention to other news today; and the fact that the southwest, with the exception of Missouri, had no precipitation was ignored. The northwest also continues to be dry, although there is a possibility that light snows might come overnight in that territory.

Primary receipts of wheat were light 372,000 bushels compared with 584,000 last year. The demand is also very poor. There were no clearances reported. Stocks at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 88,000 bushels.

At one time during the session today temporarily a little better feeling was created on reports that many amendments to the Bankhead bill proposed by the Congress were adopted by the Senate. This caused a recovery from the lowest point in cotton. At the close wheat showed a net decline compared with yesterday of 1 3/8¢ per bushel.

Corn, oats and rye also suffered in sympathy with the other commodities.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO

March 28th, 1934.

The Securities Act now on our statute books and the contemplated enactment of a new law designed to curb security exchange and commodity operations hang over the markets like the sword of Damocles. It is difficult to conceive to what extent future enterprise will be curtailed and progress retarded, visualizing what will be done (or, rather, left undone) in the next decade as compared with the past. We expect, of course, that inventions will continue and great new projects and developments take place for an ever-increasing population, but they are almost certain to be at a slower rate than formerly.

Let us assume, for instance, that such as the present-day hindrances to the placing of securities had been in effect at the time the Frenchman, Ferdinand de Lesseps, one of the greatest men of his age, contemplated the building of the Suez and the Panama Canal. Of necessity he became a promoter and speculator, although his aim was not personal gain but the fulfillment of his vision to create enterprises beneficial to the whole world.

The building of the Suez Canal, which required the issuance of a large amount of securities, proved a great success. The investors (or, as our legislators would term them, speculators, because great risks attended it) realized good profits from their venture. In fact, the British government, when Disraeli was Premier, conceived the idea of buying Suez Canal shares in the speculative markets of London and Paris until a majority interest had been acquired, which led eventually to the British occupation of Egypt. This is one speculation which was applauded by the whole world but which could not have taken place had there been in force great restriction of speculation.

The Panama Canal was a failure financially; but notwithstanding that many French investors lost a great deal of money and were greatly disappointed thereby, its completion finally by the United States government connected two great oceans of the world for transportation by a shorter route, and none would now wish undone the great good which it has accomplished in this way.

As far as grain markets are concerned, there is very little doubt but that in the same proportion as restrictions are imposed upon free trading, will the volume of turnover be decreased. Buyers to absorb the hedges will become more scarce for the grain which will have to be carried after the harvest until finally consumption catches up. This can only have a depressing effect on commodities in general. If, nevertheless, our wheat market showed reasonable strength today and recovered from its low opening, it must be attributed to the fact that stocks in Chicago are extremely small, and that shorts as well as hedgers and spreaders became scared from time to time. Our total stocks of wheat in public elevators are only 1,100,000 bushels, and the total supply of all kinds of wheat is less than 3,000,000 bushels. Certainly small quantities when it is considered that the total open interest in all Chicago wheat futures amounts to 117,000,000 bushels. However, we do not consider it of much significance, because in case May wheat should gain much on the July there is plenty of wheat at Duluth, Kansas City and Omaha, which could be brought here; and it is not likely that many speculators would wish to take delivery and carry the wheat, paying storage, interest and insurance charges when it can be transferred to July at no cost. In fact, the latter option might still be purchased at a discount.

Official exports for the month of February of wheat and flour from the United States amounted to about 4,000,000 bushels--actually larger than last year. The total from July 1st to the end of February is 23,000,000 bushels versus 33,000,000 bushels in 1933. However, the importations of Canadian wheat, which was ground into flour here in bond, were 7,491,000 bushels; so that the net exports really amounted to only 15,500,000 bushels. Practically

(over)

March 28th, 1934.

every bushel of it was shipped through government agencies from t Pacific coast at a loss. In fact the private export business co probably not have been any smaller if a law had been passed prohibiting exportation of United States wheat and flour, the same a is now in effect on gold.

We feel that there will be a heavy liquidation in all gra between now and the first of May, unless unfavorable weather conditions or modification of various bills would give greater encouragement to the trader.

At the close May wheat showed an advance of 1/8¢, and Jul a decline of 1/8¢ per bushel.

While there was no moisture of any importance, rains and snows are predicted as probable in almost every western state; al the northwest is likely to receive very good precipitation.

Trade in corn, oats and rye was absolutely negligible, an fluctuations practically nil. The government has given out some figures on the amount of loans made, or in process of making, on corn held in cribs in the country. The total amount invested bei about $110,000,000, which represents the cost to the government o almost 250,000,000 bushels of corn. This is a large quantity to carry into the next crop in addition to other normal supplies whi are in existence, and may become a burden the same as wheat was during the farm board's activities. It requires almost 8 to 10,000,000 acres of land to produce this quantity.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO March 29th, 1934.

The passage, over the President's veto, of the bill increas-
ng payments to veterans and government employes by about $228,000,000
as considered as another inflationary move, the more particularly
ince no provision has been made for revenue to take care of this out-
ay. As a consequence, gold stocks advanced considerably; sterling
xchange went to a new high point in the recent movement, about
5.13 for the pound; and sentiment in both cotton and wheat was favor-
bly influenced.

Our country is so wealthy that it may be quite some time be-
ore the test comes whether the lavish expenditures must be cut or
hether taxes can be sufficiently increased to meet the situation.
f all else fails, there is always the possibility of a further de-
aluation of the dollar; and with this in mind stocks are held strong-
y and commodities are purchased from time to time regardless of other
onsiderations.

The weather map did not indicate much rain during the past 24
ours in the territories where moisture is most wanted; but there was
ome precipitation in the northwest, and the weather prophets believe
ore will come and will extend to the southwestern areas as well.

Today's wheat market was higher during the whole session than
esterday's, but a contributing factor was the nervousness of hedgers
nd shorts on May contracts because of the very light stocks here in
hicago. There was a further widening of the premium of May wheat
ver July. This situation is likely to continue until we approach
earer the time when deliveries can be made, when we expect that ad-
itions to the stocks will come through shipments from Duluth, Omaha,
ansas City, St. Joseph, etc. The Kansas City market shows extreme
eakness, and it is very seldom that their futures sell at such big
iscounts under ours as at the present time. It would not take much
urther widening to make shipments attractive from there to Chicago.

A report from the Washington Bureau estimates that the surplus
vailable for export in the United States, Canada, Argentina, and
ustralia is about 250,000,000 bushels less than last year; and even
aking into consideration larger port stocks in the United Kingdom
here is still a deficiency of 163,000,000 bushels. This is quite
n improvement over the past season, mainly caused through a very
mall crop in the United States.

The importing wheat world still seems to be very independent,
nd it looks as if world shipments would not amount to more than
,000,000 bushels. The only large shipper continues to be Argentina,
hich cleared about 4,000,000 bushels. Stocks are decreasing at a
lower rate than of late: Kansas City, Duluth and Minneapolis so
ar this week showing a decrease of only 222,000 bushels. There were
o clearances from the United States. Primary receipts are light,
07,000 bushels versus 517,000 same day previous season.

At the close there was an advance in the May future of 3/4¢ per
ushel, and 1/2¢ per bushel in the July. It still remains as difficult
s ever, with all the uncertainties existing, to look far ahead and
ake any safe prediction as to the trend.

Corn proved to be the great exception to the advance in other
ommodities, and showed a decline. The trade is so light a few large
elling orders started the market on its downward grade, and new
uyers simply could not be found.
We have been somewhat afraid right along of this technical
ituation existing at the present time. There is bound to be more or
ess May liquidation, and with the larger margin-call requirements
fter Saturday this might temporarily have a depressing influence. Of
ourse, finally merit will count; and with a decreased acreage which
s assured, and crop scares which usually come during the summer
onths the other obstacles might be overcome.
Rye and oats were much neglected, but yet they both showed a
mall advance over yesterday's closing prices.

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FORT WORTH GRAIN AND COTTON EX.

March 31, 1934

There was no news over night from Washington; and with all the grain exchanges closed in Europe, there was no reason why anyone should have occasion to change opinions previously formed on the values of grain. The outside factors at the present time are the impending liquidation in May futures, which ought to be very heavy during the month of April, and the outcome of the crops, plus additional tendencies toward inflationary measures. The open interest in May wheat is still over 65,000,000 bushels, a very formidable quantity considering the lightness of trade. Ordinarily we would lay less stress on same as most of these owners have made investments either because they think this cereal is cheap or because they expect more inflation; therefore, these holdings may be transferred to some deferred month. Just now, however, fluctuations are so light,and new buyers comparatively scarce, that it will remain an open question whether even a moderate liquidation will not have a more severe effect than usually.

As far as the crop outlook is concerned, there is slightly more encouragement inasmuch as there was moderate precipitation and there is more in sight for over Sunday. Also, the weekly weather prediction is not bad as a precipitation period is expected about the middle of the week with possibly another one toward the end of the week. It should not be forgotten, however, that the deficiency in subsoil moisture is very great and constant rains, not only showers, are needed to relieve the situation materially. Nevertheless the outlook is very much better than last year. Our carryover is rather large, although a great deal has been accomplished thru governmental efforts toward reducing it considerably compared with last year. Had it not been for the judicious policy of the Secretary of Agriculture in exporting a large part of the excess surplus on the Pacific Coast, which otherwise would be pressing hard on the market now, the situation would be almost hopeless again, particularly as other exporting countries are not cooperating sufficiently to bring about desired results of higher prices for the farmer. Russia has never agreed to limit her allotted export quota; and now Australia also seems to be stubborn and refuses to join in an equitable agreement. With these two large exporters not in harmony with the proposed arrangements, it is difficult to see how a world agreement could help the U. S. farmer very much. Efforts will have to be continued to solve our own problems.

After an early decline the stock market came to the rescue of cereals and when there was a sharp upturn in Wall Street, sentiment here changed rapidly.

Primary receipts for two days were rather light, 598,000 bushels compared with 752,000 bushels last year. There were no clearances. Stocks at Kansas City, Duluth and Minneapolis show a decrease of 334,000 bushels, which indicates only a small decrease in the visible supply on Monday. At the close the market was 5/8¢ higher.

Corn was very weak at one time, but benefited when its sister cereal showed some strength and also closed higher. Oats remain practically unchanged; and rye futures improved moderately.

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FORT WORTH GRAIN AND COTTON EX.

April 2nd, 1934.

The average of the private experts' estimates on winter wheat ssued this morning indicates a crop of 506,000,000 bushels, comared with a final outturn last year of 351,000,000 bushels. We are ware that it is hardly a fair comparison as last year's was the mallest per-acre yield in a quarter or perhaps half a century. Asuming that the spring wheat production will be average, neither a umper nor a failure, we might have to figure on a total harvest of bout 725,000,000 bushels of wheat. This in years past would have rought about a high level of prices, but then the world depended to fair extent on American exports, and until 1929 there was hardly a ear that we did not supply the importing countries with at least 00 to 150,000,000 bushels of wheat and flour combined during twelve onths. However, since we are now more than 20 cents a bushel above n export basis and comparatively that much higher than all of our ompetitors, it would not be safe to calculate on that outlet exept to the extent that government agencies will probably continue to xport wheat, whether or not the basis is right, and are willing to ssume a reasonable loss in rectifying the existing situation.

On basis of 725,000,000 bushels outturn and 250,000,000 carryver, total, 975,000,000 bushels, the normal consumption of 650,000,00 bushels would leave 325,000,000 for export and carryover. It is ossible that consumption next year might be more than this, as large uantities will doubtless be given away again for relief purposes; alhough on the other hand the processing tax of 30¢ a bushel is not onducive to increased consumption.

Nevertheless, the situation would be no worse than it was on uly 1, 1933; because since then stocks in this country have been reuced about 135,000,000 bushels, and yet we have seen that during the onth of last July wheat futures reached a price almost 40¢ a bushel igher than present quotations. The reason was evident; fear of inlation and devaluation of the dollar, all of which came to pass. It s impossible to say as yet whether further inflation will come, and ossibly further devaluation of currency, but this is an ever-present tem for consideration. At the moment, the Dies silver bill is a hreatened measure in this direction; and, besides, liberal expendtures are freely voted in both the house and the senate. As we see t, our normal budget is about balanced. Possibly the income is even reater than the outgo; but what of that when the extraordinary budget, hich is larger than the normal one, means continued deficits in the total and continued borrowing. It is true, part of these extraordinar expenditures are by way of loans of the Reconstruction Finance Corporation which will be repaid; yet the net outgo at the present time is very large. Perhaps there is no one wise enough to be sure whether these extraordinary expenditures can be stopped in a reasonable time; and if not, inflation fears will again be rife and will have considerable weight in determining values.

For the immediate future we see in prospect heavy liquidation in May contracts. Much wheat was purchased on the theory of inflation and might temporarily be liquidated, and new buyers will be hard to find.

The rather optimistic estimates on the crop outlook, together with some precipitation over Sunday and prediction for more, caused a very easy feeling; the decline at the close amounting to 1-cent per bushel.

Primary receipts were almost as much as a year ago, 622,000 bus. versus 681,000 in 1933 same day.. There were no clearances, and the visible supply shows a decrease of 1,593,000 bushels against 3,014,000 last year. However, it still leaves a deficiency of 42,000,000 compared with a year ago.

Rye was independently strong today, a private estimate being made that the outlook is about the worst in fifty years.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 3rd, 1934.

To the close observer,signs are multiplying that inflation is working according to schedule. By this we mean that, as in all other countries where the currency was devalued, commodities, wages, governmental expenditures, etc., are gradually rising in a proportionate degree. These changes are never quite uniform and require varying lengths of time in manifesting themselves; but it seems the end is always about the same. We have come to this conclusion as we see the dollar getting weaker, being $5.17 to the pound sterling today, a new low for our money on the recent movement; we see wages generally rising; automobile and steel prices are advancing. When this once starts it is bound to permeate kindred lines and gradually every wage earner and virtually every commodity will be more or less affected. Increased pay for coal miners will mean higher prices for coal, and we do not see how higher freights on commodities can be prevented.

There are always some exceptions when special conditions exist. For instance, should we raise a very large wheat crop, more than could be consumed at home and more than would be wanted abroad, that cereal might fall temporarily in this category and fail to benefit from a generally advancing price level. This is what the trade had in mind this morning when further precipitation was reported in the northwest, with probability of good rains or snows for the southwest overnight, and when consequently prices at the opening were 1/2¢ lower.

We are only three months from harvest, with plenty of supplies left from previous crops; so, regardless of other conditions, when this new wheat comes on the market, possibly in abundant quantities and with no export outlet and few buyers, it cannot but have a depressing effect at the start of the movement. Fluctuations today were very small, as traders are very cautious, and with the limited turnover they never get far away from shore. At the close wheat showed a decline of 1/8¢ per bushel compared with the previous day.

Stocks of wheat at Kansas City, Duluth and Minneapolis show a small decrease so far this week of 87,000 bushels. There were again no clearances reported, but receipts of all cereals seem to be drying up. In spite of the very short crops all around this past season,the movement had been comparatively fair for the first nine months, but now with the unquestionable fact that farm stocks have been much depleted results are being shown. Wheat receipts were only 200,000 bushels against 423,000 a year ago; corn, 367,000 bushels versus 409,000 last year, and oats, 121,000 bushels against 278,000 in 1933.

We feel that with the large amount of corn tied up by the Government and held in cribs that both farmers' movement and receipts at terminal elevators for the balance of the crop year will be exceedingly small; and after May liquidation is out of the way this might bring about a change in sentiment, a better demand and an improvement in prices. In the meantime, however, May liquidation is still staring us in the face, and the limited trade has an undue influence when liquidating orders come into the pit. Such liquidation took place today in both corn and oats, bringing about further declines.

Rye held comparatively strong.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 4, 1934.

The wheat market today gave a remarkable exhibition of
nherent strength. The news overnight had been about the most bear-
sh it has been in a couple of months, precipitation in the south-
est having been quite heavy, and following the fairly good rains
n the northwest the drought situation has been sufficiently re-
ieved for the present. With average rains from now on normal
evelopment of the wheat plant may reasonably be expected.

We do not think we take a too optimistic view of the out-
ook when we look forward to a combined winter and spring wheat
ield of about 750,000,000 bushels, unless something unforeseen
nd detrimental should happen from now on. This would give us an
xportable surplus on this year's raisings of about 100,000,000
ushels, which added to the 240,000,000 bushels carried over from
revious crops, would mean a total of 340,000,000 bushels. This
ould make us very much dependent upon European markets for an out-
et of the surplus. Nothing would ordinarily prevent us from de-
lining to their level, but now it is possible, through governmental
xpenditures and financing, that the price of wheat may be kept at
n artificial level. As we pointed out yesterday, receipts of all
ereals are reaching very low proportions, and as long as this con-
inues there will be no new pressure in the way of hedges; and a
ituation such as we described above may not make itself felt un-
il the new wheat actually moves and has to be disposed of. Partic-
larly so, as there are still a great many inflation fears, and
herefore purchases of commodities appear right along regardless of
he intrinsic value of same. These fears we think will continue
s long as our daily expenditures are larger than our income, and
robably it will be a long time before our budget can be balanced,
ot to speak of the time when a reduction of the debts can take
lace. However, such must be done sooner or later to restore the
ublic's confidence in absolutely sound money.

A minor contributing factor to the strength displayed today
as a statement circulated very freely by a statistical agency, ex-
ressing the view that in its opinion it is time to change from the
ear to the bull side on wheat. Also the continual discussions at
ashington regarding the various silver bills add to the confusion.

Primary receipts of wheat were 384,000 bushels versus
75,000 a year ago; corn, 208,000 bushels compared with 492,000,
nd oats only 82,000 bushels against 254,000 in 1933. The demand
lso must be very poor because in spite of the light movement, wheat
tocks at Kansas City, Duluth and Minneapolis show a decrease of only
2,000 bushels so far this week. No clearances whatsoever were re-
orted.

At the close wheat showed an advance of about 1¢ per bushel
ompared with yesterday. Corn and oats acted very weak during most
f the session, but finally the demand improved in sympathy with
heat. Rye, however, actually closed lower than the previous day.

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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 5, 1934.

Another World Wheat Conference now in session at Rome is
rousing but little interest among the trade. The present price of
heat at Liverpool is equal to about 40 cents a bushel in gold, all
reight and expenses paid, and the general desire is expressed to
aise this price at least 20 to 25 per cent, which would still make a
ery low level. Evidently, speculators have no faith that anything
an be accomplished, as foreign markets show no signs of advancing.
course a development of such importance would be discounted in
ivance. In this country we did not have to wait for the actual de-
aluation of the dollar, as its imminence caused adjustments in ex-
hanges and prices ahead of the fact itself.

A much greater influence at the present time is the monetary
ituation the world over. This, in fact, overshadows the actual
heat situation so that in spite of improved crop prospects the wheat
arket remains very steady. Fresh uncertainties are injected day by
ay. Now Germany reports a reduction in its gold coverage to about
98,000,000, which brings its holdings to only about 1 1/2 per cent
those of the United States, and only about 6.7 per cent of their
aper currency. There is a more or less pronounced flight of capital
rom Switzerland and the gold reserves there have declined 36,000,000
rancs during the past week, the total loss since February 1st being
50,000,000 francs. Spain has instructed its banks that immediate
ayments of foreign money would henceforth be prohibited, and persons
aking such requests must wait their turn. France is endeavoring,
ith great difficulty, to adjust her affairs, and in the meantime the
overnment credit has declined to a basis of 6 per cent in yield.
ngland maintains her outstanding position, having balanced her budget,
reating a surplus of over $150,000,000, and is talking about reducing
axes. In the United States the government credit remains A-1 in
pite of our large expenditures. However, the daily outgo is more
han the income, and with the instability abroad it is small wonder
hat great doubts exist as to the future.

Nor is it surprising that the AAA is giving more attention to
he solution of its problems at home than by means of a foreign out-
et. They have had great success this year, because our farmers
urely received more money for their wheat than did those of any other
xporting country. However, while Secretary Wallace merits credit,
ome recognition must be given to nature, as the crop was an unusually
hort one, and the question will be what is going to happen next fall,
ith a promise now of a wheat crop 150 to 200,000,000 bushels larger
han in 1933. Possibly something will again intervene to bring about
esults more favorable to the AAA.,but at the present time the crop
utlook is improving greatly. There has been more moisture in the
orthwest as well as the southwest and still more likely to come.

The trade generally is more or less ignoring the more distant
utlook of values. The longs are not being forced out of their posi-
ion on account of the small fluctuations, and they find great en-
ouragement in the fact that receipts at the present time are ex-
remely light; consequently, no new pressure. This we think will
ontinue to be the case more or less for the next 2 1/2 months.

Primary receipts of wheat today were only 271,000 bushels com-
ared with 501,000 last year; corn, only 194,000 bushels versus
26,000 a year ago; oats, 78,000 bushels against 232,000 in 1933.
f the flour demand were anywhere near normal our wheat stocks would
ecrease very fast, but as it is they show so far this week a de-
rease of only 138,000 bushels at Kansas City, Duluth and Minneapolis.
f course, the total absence of clearances is being felt. At the
lose wheat showed a decline of about 1/4¢ per bushel.

As far as corn is concerned, small receipts we believe will
ontinue until the next crop. Of course, the harvesting of the corn
rop is much further away than the wheat, so that this cereal is in
n entirely different position. We are inclined to think that the
nly factor which kept corn prices down was the large stocks at
erminal elevators; and from now on we should see a steady decrease,
o that this obstacle will be more or less removed. We feel friendly
o corn in the long run.

Oats were about unchanged, and rye a trifle lower in sympathy
ith wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 6th, 1934.

Our wheat futures are selling today at practically the same rice as at the close of last year: to be absolutely accurate, about cent a bushel higher. We also find only the slightest change in alues compared with Liverpool and Canada; therefore during this eriod we have kept our price level on a strictly domestic basis nd way above world's parity. This was possible because of a very oor crop, yielding about 120,000,000 bushels less thah normal home onsumption, and due to which we paid our farmers more for their heat than others could realize in any other exporting or importing ountry. Of course large importing countries were practically all ore or less protected by means of tariffs; and even in England, where uties are very low, the home farmer received bonuses from the govern- ent or the millers were obliged to pay higher prices for the English roduct.

It would therefore seem fair to assume that with only about 1/2 months left on this year's crop in which the shortage will be articularly felt in the way of very light receipts, we may be able o continue this higher price level. Nevertheless, it will certain- y be an entirely different proposition when the new crop comes on e market, should it develop according to present promise. The utlook now indicates a total harvest of winter and spring wheat of pproximately 730 to 750,000,000 bushels, which would give us a sur- lus over home consumption of some 100,000,000 bushels as compared ith a similar deficiency last season. Such a circumstance we be- ieve would change the entire picture, as we would have to dispose f our surplus one way or another.

It is with this in mind that the results of the world con- erence at Rome may become very important to us. All sorts of sug- estions are being made to increase consumption, which, if accom- lished, would be the solution; but foreign markets do not as yet ow any indication that good results are in sight. There is of ourse always a possibility that European crops might not turn out ywhere nearly as well as last year, and that the normal import equirements abroad might thus be raised, but at the present time hear of no serious complaints from any of the important pro- ucing countries. Even Russia, which was sending alarming reports t this time last year, is not being heard from. Therefore we must ssume that her weather and crop conditions must be more nearly ormal than in the two previous seasons, when only very little wheat as produced for export.

Moisture conditions in Canada are also extremely favorable d are much better than any season up to this time since 1929. It reported that moisture conditions in Manitoba are 15 per cent ove normal, in Saskatchewan 20 per cent above normal and in Alberta per cent above.

Trade today was probably the dullest for a long time and uctuations were very insignificant.

Primary receipts of wheat continue to be very light, 388,000 shels compared with 531,000 a year ago; corn 185,000 bushels versus 5,000 and oats 190,000 bushels against 256,000 same date last year. evertheless stocks are decreasing very slowly now and so far this ek Kansas City, Duluth and Minneapolis show a decrease of 108,000 shels. Again there were no clearances. At the close wheat prices re about unchanged to a shade lower.

Rye met with a better demand, and prices were sharply higher; t this was about the only cereal that scored much of an advance.

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DAILY MARKET LETTER

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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

April 7, 1934

The financial world seems to attach scant importance to yesterday's announcement of the Japanese treasury department that it would raise its gold buying price from 265 sen to 295 sen per gram, effective today. This means an advance in the gold price of about 11 to 12 per cent, consequently, more inflation in that country.

Japan has become very important commercially, and while this particular action might not in itself be a determining influence on world trade, yet we stress it because it is another evidence of how inflationary measures are gradually taking place everywhere. The United States in the week ending April 4 imported $14,000,000 worth of gold, so it seems that the movement to this country, while having abated to a large extent, has not entirely ceased. If the reserve banks of the world are trying either to protect their gold holdings or to increase them by sharp competition, it can finally mean only further devaluation in those countries which are still on a gold basis and an appreciation of values in others compared to their paper currency.

The wheat conference at Rome also attracts very little attention, notwithstanding that matters of great import are under discussion there. The fact that markets do not fluctuate radically would indicate that those who are really well posted are still of the belief that the conversations now taking place will not materialize in any decisive action. It is difficult to get 35 nations with conflicting interests to agree to any common proposal. So far (and we look at it entirely from the United States viewpoint) we have not gained much from these conferences but have made the greatest and almost the only sacrifice by reducing our acreages. If we go further in this direction we shall finally have no surplus left for export, and then it matters but little to us what the world price of wheat might be.

As things stand now, the three large exporting countries besides ours, Canada, Australia, and Argentina, with populations of less than one-third of ours, easily supply 85 per cent of the world's import requirements. Should we decide to reduce our wheat acreage so as to be on a strictly domestic basis, we should not need to participate in the world conference, as prices in other countries would no longer interest us, particularly as long as we are protected by a tariff of 42 cents a bushel.

Wheat receipts continue very light, 348,000 bushels vs 23,000 last year, which causes no new pressure as the commercial demand easily absorbs this quantity. We expect these light receipts to continue as the stocks on farms April 1, according to one of our expert statisticians, were only 85,000,000 bushels, not all of which will be sold; so that the technical situation is temporarily improved. Of course finally prices will be made more by the crop outlook, as shipments will doubtless increase later on should the outturn be as it now promises, about 150 to 00,000,000 bushels larger than last season. Stocks at Kansas City, Duluth, and Minneapolis show only a small decrease for the week, 15,000 bushels, therefore the visible supply will probably show only a moderate shrinkage on Monday.

There was considerably more action today in rye, which finally showed a large advance. There are 7 cargoes of rye in the east on which possibly a higher than normal duty will be assessed, inasmuch as the rye came from Poland where a bounty of 30 cents a bushel was paid, which according to our laws might subject it to an additional duty here.

Corn receipts also continue very light, primaries being only 72,000 bushels compared with 515,000 last year. There is very little purchased to arrive, and we believe this light movement is likely to continue for more than six months. Farmers' stocks have been very much depleted. We feel very friendly to this cereal.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 9th, 1934.

Developments over the week-end were without great importance. here had been some moisture in our northwest, and quite a few snows ver the Prairie Provinces, which were regarded as beneficial for anadian wheat. A press dispatch from Sasketchewan spoke of 9 inches f wet snow which had blanketed the northern and central sections of hat province; and this assures ample moisture for the germination of he seed.

Our market opened rather quietly without any trend being oted, and we believe that the volume was again very light, as was he case on Saturday when less than 15,000,000 bushels of all grains ere traded.

The recent moisture has made the crop outlook satisfactory, ndicating a surplus above home requirements; and therefore it is a uestion of what will happen to our large supplies if we are still bove an export parity next July.

According to one of the departments under the AAA, more than 3,000,000 bushels of wheat and flour have been sold for export by he Pacific Export Association since the beginning of its operations he latter part of October. In order to export this grain a diferential payment was required between sales abroad and the price aid in the domestic market which has averaged approximately 23¢ a ushel. This, they explain, varied from time to time as the relationhip between world markets and our domestic price changed; and it is urther a fact that while these operations cleared up congestion aused by the surplus in the Pacific northwest, they took away cerain funds of the association that would otherwise have been paid to he beneficiaries of the processing tax. Nobody can tell how far the overnment might go next season in trying to urge exportation; nor o we know how many more processing taxes might be provided for subidizing the curtailment of competitive grains. Therefore, political ncertainties remain as great as ever.

As for monetary considerations, Italy has reported that gold xports for March amounted to $19 millions, and as long as we are raining gold fromEurope our exports must suffer, as the reserve banks broad have to protect themselves. It is generally believed that if or any reason the dollar should weaken that gold exports from U.S. ould not be permitted, but that rather the official price of gold ould be advanced further. It is taking a rather lengthy time for he Warren theory to work out in practice, although we feel confident hat commodity prices should eventually rise by almost the same perentage as the increase in the price of gold. At present gold is ixed at $35.00 per ounce, or the equivalent of a 59.06-cent dollar, hich represents an increase of about 69 per cent over the former tatutory price which prevailed at the beginning of this administration. istory has shown that in other countries where devaluation took place inally there was a proportionate rise in the price of goods, and we eel that this country cannot escape gradually rising living costs, lthough some articles are apt to lag during the process of readjustent. Whether such temporary sagging of prices for certain commodities ould cause sufficient fear to bring about further devaluation before n opportunity is given for a fair trial to the monetary change aleady undertaken, nobody can state. At least a great many people are eginning to become skeptical as to whether a higher price in itself hould necessarily bring about greater prosperity.

Primary receipts of wheat were very small, being 416,000 ushels compared to 1,203,000 bushels last year. Our visible supply ecreased over 2,000,000 bushels; and total stocks are 41,453,000 ushels smaller than a year ago. No clearances were made today. hile the wheat market remained during most of the session around the rice of the previous close the final changes were 1/8¢ per bushel ower for the May delivery, and 1/8¢ higher for the September.

Corn did not enjoy a very large trade, but prices were inlined to be firm throughout the session. We continue to feel bullsh on this cereal, as receipts are light, and in our opinion will ontinue to remain so with the large amount of corn under government eal. Later on exports are possible. The Argentine corn crop is stimated at 215,000,000 bushels against 283,000,000 last year, and 70,000,000 in 1932.

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FORT WORTH GRAIN AND COTTON EX.

April 10, 1934

There was again very little news overnight. Higher quotations
; Liverpool caused some comment, and the reasons attributed to
ie advance were the possible developments at the Rome wheat con-
erence, as an effort is being made to reduce flour extraction to
per cent. This may have had something to do with the specula-
ive psychology at Liverpool, as well as the fact that freights were
ported at a somewhat higher ratio, although generally speaking
erybody is quite certain that with 35 countries trying to work
rmoniously upon an agreement it will be rather difficult to get
animity of thought. Nevertheless, the entire world is anxious to
tain higher wheat prices, and therefore it is to be hoped that
mething beneficial can be accomplished.

In our own country the winter wheat crop on its present promise
actically assures a yield of approximately 500,000,000 bushels;
that with average moisture we could have a total winter and spring
ieat crop of between 730 and 750,000,000 bushels, which, together
th a carry-over of close to 250,000,000 bushels on July 1, would
ve us nearly one billion bushels to deal with.

If we are correct in these deductions, then it still matters but
ttle whether Liverpool advances or declines 4 or 5 cents per bush-
from the present price level, as after all, their basis is still
r beneath our parity. For example, this morning, Liverpool
ly wheat on basis of the present sterling exchange is selling for
cents a bushel. It would cost about 10 cents as a minimum, in-
uding freight and other charges, to ship wheat from Chicago to
gland; therefore other countries would benefit much more from any
crease in world consumptive demand. However, at the present time
are dealing with a different situation. There are about two and
e-half months left of this year's crop and pressure upon the wheat
rket is extremely light; as we raised one of the shortest winter
ieat crops in probably thirty years, and it is also a fact that our
ring wheat crop was virtually a failure. Thus the movement from
rms is very light, and this will probably not change until another
rvest.

Meanwhile, there is some liquidation of May contracts by old hold-
s, and a good many of these are going into the deferred months;
t spreading has widened slightly the relative difference between
y and July with the result that this morning July wheat sold at a
ight premium over the May contract as compared with a discount of
out 1/2 cent per bushel which existed last week. The open in-
rest in the nearby wheat delivery is still 60,000,000 bushels, so
at it is quite possible that this tendency will continue in spite
the fact that contract stocks in Chicago elevators are very light.
ere was a little business passing, by way of sales, from Kansas City
Chicago lately, and this may have hastened some of the liquidation
the May contract.

Primary receipts of wheat amounted to only 280,000 bushels com-
red with 547,000 last year. Demand has also been light, and thus
r Kansas City, Duluth and Minneapolis stocks show a net decrease
only 62,000 bushels. Clearances were practically nil, as was
e case last year.

The initial advance made in wheat was maintained throughout the
ssion, although trade on the whole was again extremely light.
ere was a fairly good Canadian business put through due to the ad-
nce in Argentine freight rates; and this also brought about a slight-
higher level in Canada, although favorable rains were reported in
e Provinces. At the close our wheat market showed an advance
about 3/8 cent.

Corn benefited from the better sentiment; and with light receipts,
essure on this cereal was extremely light. There were some chang-
g orders also between May and July and the difference was about
1/2 cents per bushel, which is almost the widest that has been at-
ined so far.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 11, 1934

The government report issued yesterday afternoon forecast a slightly smaller winter wheat crop than had been expected. This was partially offset by larger farm reserves than the private experts had calculated, so that as a market factor the news was not of prime importance. As we mentioned yesterday, there is likelihood of a total spring and winter wheat crop in this country of about 730,000,000 bushels; so together with the carry-over, which is estimated at about 250,000,000 bushels, supplies will be much heavier than home requirements can take care of. So far this crop year subsidized exports have amounted to about 23,000,000 bushels, and under the terms of the London wheat agreement this country is restricted to seasonal shipments of 47,000,000 bushels; therefore whatever surpluses overhang the market will create more or less of an economic problem.

It is all right for certain economists to say that wheat is not overproduced and that the trouble lies in underconsumption; yet the fact remains that the domestic disappearance does not vary a great deal in this country, even though there have been times when some wheat was fed or when great quantities were distributed through the Red Cross and other agencies of relief. At present our consumption is somewhat less than 650,000,000 bushels, including seed requirements, and we doubt whether, even as a result of the conference at Rome, there will be any great change in our milling grinds to materially alter the situation.

For some time it had been hoped by a certain element that the importations of Polish rye would be retarded by placing a countervailing duty upon imports equivalent to the bounty paid by that government for the exportation of grain. Late yesterday the Secretary of the Treasury refused to place an anti-dumping tariff on imports of rye from Poland, claiming that there was not ample evidence that this cereal was being sold here at less than cost of production. It was further found that our domestic stocks were inadequate to supply the demand, thus a levy on Polish rye would simply shift the trade to another country. The effect of this settlement overcame a bullish crop report also issued yesterday by the government in which the condition was placed at 63.8 of normal compared with the average from 1922 to 1931 of 83.3. Those who have figured out the possible yield anticipate that 27,000,000 bushels will be raised, which after all, is not a very large crop, particularly so when large supplies are needed for purposes of distillation.

Primary receipts of wheat were only about half as much as last year, amounting to 341,000 bushels against 661,000 at that time. Stocks at Kansas City, Duluth and Minneapolis show a net decrease this week of 192,000 bushels. No clearances were reported either today or a year ago.

The main feature of the market was the weakness in rye following the statement of Secretary Morgenthau. At one time rye sold off about 2 1/4 cents, and at the close was 1 3/8 cents lower than yesterday. There was very little change in corn; the main activity in this cereal seems to be confined to changing orders.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 12, 1934.

The world's business during the last twelve months has shown decidedly upward trend. A good part of this may be attributed to he comparatively stable currency relationship of one country toward nother, with the exception of the American dollar. More recently ven this tendency has been toward a somewhat stable base, and on the hole we would say that these facts forcibly suggest that freedom rom violent exchange fluctuations is one of the primary conditions f recovery.

It is just as true that if the world wishes to avoid a setack it is highly desirable to guard against a new outbreak of cometitive depreciation. At the present time certain countries might enefit from individual devaluation, and France, for instance, might ncrease its competitive power in the world. Just recently, however, resident Doumergue, in a radio broadcast, said that the franc now at ne-fifth of its former value must remain intact; and he went on to rge the people of France to accept the economy measures which the overnment intended to pass by decree and which he considered necessary or balancing the budget.

We know that in some cases equilibrium has been achieved in pite of considerable strain in those countries that remained on gold; nd in the publication of the weekly statement by the National Bank of witzerland the loss of gold during the past seven weeks has been very eavy, amounting to about 15 per cent of its holdings. Likewise, talian lire, which have been weakening, were held up only by interention, and the situation of the gold bloc is growing serious. We ention this because the high price of gold being paid in this country ad attracted a tremendous amount of metal from many of the European apitals, with the result that this outflow made it necessary for them o take further precautions in order that they might not be drained. t is quite obvious that our export policy would be seriously hampered f we drain European countries of their monetary base, and this cerainly is not the intention when the administration is endeavoring to nter into new arrangements to further international business.

The actual grain news showed little change; few rains were reorted overnight with a prediction that it would remain clear with ising temperatures. There has been for several months a more or less tale interest in the market. A great many purchases were made on the elief that inflation would carry commodity prices higher. We have alled attention for a long time to the large open interest in all ereals; according to figures of the Grain Futures Administration, here was still open yesterday, 57,000,000 bushels of May wheat, 55,000,00 bushels May corn, 34,000,000 bushels May oats and 12,000,000 bushels ay rye. Obviously a great many speculators who own these contracts ill not take a delivery, and this liquidation, which started today, aused severe weakness in all pits. There has not been any scarcity f wheat for a long time, but the speculative holdings were in large easure responsible for keeping our futures at a big premium over cometitive markets. In the five important centers, including stocks in he United States, Canada, United Kingdom, Argentina and on-passage, here is about 48,000,000 bushels less wheat than last year, of which 2,000,000 bushels is accounted for in this country alone, with our isible supply being about that much smaller.

As we come closer to the new crop attention is focused upon ur premium over world markets, and the fact that we will probably have ubstantial supplies over home requirements.

Primary receipts were small, 293,000 bushels compared with 76,000 last year. Stocks of wheat at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 223,000 bushels. learances were nil both today and a year ago.

Corn, oats and rye all suffered from liquidating sales, and espite any intrinsic merit that any of these articles may have had, ew buyers could not be found in sufficient volume to stem declines. ith so many legislative restrictions it remains to be seen whether peculative support can be found as easily as when we had free and pen markets.

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FORT WORTH GRAIN AND COTTON EX.

April 13, 1934.

It is not pure accident that history has recorded some of the sharpest price declines due to governmental intervention when artificial means were attempted to prevent normal laws of supply and demand from functioning. It is not necessary to review here the Cuban sugar situation nor the Brazilian coffee valorization. We all know the sad consequences of the English attempt to stabilize rubber prices, and the more recent attempts of the American farm board to prevent wheat declines.

Very often any political attempts which appear right in theory have their secondary consequences; and it took us several years to pay the full penalty for violating all commercial laws in withholding our wheat surpluses from going into export channels. It is not difficult therefore to understand why the experienced business man in this country has a natural dread of any artificial scheme of price-fixing. The very threat of substituting political laws in place of economic laws has a certain horror for us all. It was this psychology of the past two days which may be largely held responsible for intimidating grain traders. At the House Hearing Committee yesterday one of the bankers on the stand stated the views of the ordinary business man when he replied that he favored as little regulation of grain exchanges as was consistent with ethical business practice. In the same way such attempts by any large country, through either public opinion or budgetary considerations, to drive certain other countries off the gold standard would immediately tend to cause a fresh deflation of prices and would further lead to competitive depreciation or produce a fresh crop of quotas and exchange controls, thus intensifying existing tendencies toward economic nationalism. What we need to do more than anything else is to restore commercial confidence in order to stimulate international trade and a rise of prices. This can best be done when legislators come to the realization that some of our most prosperous eras occurred when we repealed poor laws instead of trying to enact new ones.

About mid-session a report was circulated to the effect that commodity exchange legislation would be laid aside during this session of Congress; and this caused a rally in the market, following liquidation when May oats had sold to within 1 1/8¢ of the lowest figure on the crop, and after new lows were established in the September deliveries of corn, oats and rye. Later on the Senate voted to reduce the sales tax on grain to 1-cent per $100.00, which also had a helpful effect upon the market.

It is to be hoped now that the House will follow suit and bring about relief to spreaders, hedgers and other interests, as the tax has been strangling trade ever since the increase became effective.

Actual grain news was little changed. Weather was mostly clear, although moisture is expected tomorrow over portions of the northwest as well as the southwest. There was a widening of carrying charges in both wheat and corn resulting from changing orders in these cereals; speculators apparently are going more into the deferred months. Primary receipts of wheat today were 298,000 bushels; a comparison cannot be made with last year as there was a holiday. No wheat was cleared. So far this week Kansas City, Duluth and Minneapolis show a net decrease in their wheat stocks amounting to 316,000 bushels.

The closing prices were little changed from the previous session, recoveries coming almost immediately upon the announcement that we might be left alone without further restriction than already provided under the code. This was true also in corn as well as in oats. Rye actually closed higher. Until such time as better marketing machinery can be developed we think it would be a sad mistake to try to cripple the 86-year old organization which has so effectively helped to market farmers' grains at an almost negligible cost to the producer.

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FORT WORTH GRAIN AND COTTON EX.

April 14, 1934

The trade became very much encouraged yesterday with the thought that a lessening of legislative restrictions was in sight. The vote in the Senate to reduce the commodity tax by four-fifths was regarded as a step in the right direction, because for many months spreading operations between domestic markets had been greatly stifled. It is a fact that with the largest trade concentrated in Chicago, some of the smaller interior markets like Kansas City and Minneapolis sometimes reach a point where the volume of trade becomes temporarily an undue influence upon the market.

In the past this has been quite quickly remedied by a trading element that was willing to arbitrage transactions between one market and another. This always served a very useful economic purpose, because the farmer in one part of the country who had wheat for sale was not handicapped because of any undue depression in one particular market. The men who conducted this business worked on an extremely small margin, with the result that when they operated in two markets their profit was often eaten up by the government taxes; and the disappearance of this business to a large extent has apparently been noticeable to every one in the grain trade and is now before the attention of the legislators themselves.

We do not wish to be interpreted as thinking that the elimination of some bad legislation will in itself create a bull market at this time, as we cannot forget that our wheat values around the 85-cent level for July already reflect an inflated price of approximately 20 cents per bushel over world's markets. With Liverpool July wheat selling at 69 cents today, there is no possible chance of doing any normal export business when the next crop comes to market. It is our belief that the funds collected from processing taxes are in the main to be returned to those producers who make certain sacrifices in cutting acreage and that the government will not forever subsidize exports at a loss where payment is to be taken from these funds. Therefore, a great many thinking people keep one eye focused on the world's markets, not wishing to forget that unless some artificial remedies are resorted to, we may, during the next crop season, approach more nearly an export basis.

There was some liquidation of May contracts in various cereals. Oats were particularly weak, and the May delivery sold very close to the lowest price of the season in spite of a strong statistical position; but with apparently enough supplies to last us until the next crop, speculators in this cereal are losing faith. Corn also was under pressure at times, and even with a large percentage of the farm reserves under government seal, which has made receipts at terminals light, the large stocks in the visible supply have been acting as an offset up to this time and demand from terminal markets is apparently not sufficiently large at the moment to create much forward buying. This may change, however, as we believe the movement from the country will continue light for the rest of the crop; so that from now on the small reserves will be felt.

Primary receipts of wheat were light, only 345,000 bushels vs 1,166,000 for two days last year. Stocks at Kansas City, Duluth, and Minneapolis show a net decrease of 330,000 bushels, indicating a moderate shrinkage in the visible supply on Monday. Clearances were nil both today and a year ago.

Rye, which had been outstandingly strong yesterday, weakened with very little trade and no pronounced pressure.

UHLMANN GRAIN CO.

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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 16, 1934.

The grain trader had many factors to consider today, some of them possibly a little bullish but most of them very bearish; so the final decline of 4 5/8¢ per bushel during the session was not surprising.

A constructive feature was an unanimous attempt at the Rome Conference to establish minimum prices at which wheat may be exported at a considerably higher level than that prevailing, in consequence of which the Liverpool market showed a sharp advance, although it did not hold. The Winnipeg futures also reacted favorably to this news. As an offset weather was more favorable in our southwest where there was good precipitation over Sunday. May liquidation continued on a large scale in all cereals, and as buyers were very scarce this really was the deciding influence.

For the time, however, such inflationary measures as might be passed or such currency inflation as might come about even without the enactment of new laws, were overlooked; but we feel that they will come to the fore from time to time. The government undoubtedly will continue for a long while to spend money freely, and the policy of benevolence will surely extend over a year or two. This, together with the devaluation of the dollar, is bound to give us a higher level of prices than otherwise might exist.

It is strange, yet quite explainable, that at the same time that we are trying to boost wages and commodity prices most of the large European countries are pursuing an opposite policy. In France, Germany and Italy, the three principal ones with respect to population aside from England, reductions are being forced in salaries, rents, etc., wherever possible. Russia also seems to be inclined in this direction. All have found it necessary to do so in order to continue today on the gold standard; but England and the United States, having made monetary changes, are following a different course. To us it would seem that through the deflationary course in Europe our inflation will be slower than would otherwise be the case; although in the end of course the 59-cent dollar will mean exactly what it indicates and eventually a dollar will buy only as much merchandise as 59 cents purchased previously. This process, however, some times takes a very long while to work out. In many of the European countries when a devaluation of currency was started, it took more than two years before the full effects were felt. Of course much can happen in the meantime. As far as wheat is concerned, we are confronted with an immediate situation as harvesting of a new crop will start in about two months. Supplies are still very large; the outlook is for a quantity considerably above our home consumption, and we are still about 20 cents out of line for export, all of which may cause a trend in wheat distinctly different from other commodities.

Today's wheat receipts were very moderate again, 499,000 bus. compared with 919,000 last year. There were no clearances, but the visible supply showed a smaller decrease than last year, only 1,169,000 bus. compared with 1,923,000 a year ago. The total is still almost 40,000,000 bushels smaller than last year.

Corn prices also suffered a very severe decline on account of heavy May liquidation and little attention was paid to the improved statistical position. The visible supply decreased 2,253,000 bushels compared with 1,114,000 bushels last year, but is still about 28,000,000 bushels larger than it was then. However, primary receipts are small, only 517,000 bushels versus 960,000 in 1933; and because of this decline, we expect they will decrease still more as there are still six more months before a new crop can come on the market. We think this cereal ought to do better later on.

Oats and rye declined severely in sympathy with the other grains. Confidence seems to have been lost and new buyers are scarce.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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141 W. JACKSON BLVD.
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MINNEAPOLIS CHAMBER OF COMMERCE
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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

April 17th, 1934.

Inasmuch as a number of countries are still on the gold basis, such as France, Italy, Switzerland, and Germany to a certain degree, it is interesting to figure what our present prices mean to them compared with the past. Roughly speaking, on a gold basis, Kansas City May wheat is selling at about 41¢, Chicago May wheat 46¢, Chicago May corn 24¢, Chicago rye 30¢ and Chicago oats 15¢. These are certainly extraordinarily low levels, and show quite clearly that the devaluation of the dollar has not yet been greatly felt as far as these cereals in question are concerned; but it does not prove by any means that Professor Warren's theory is wrong and that when the proper time comes the situation will not change.

We have repeatedly mentioned in our previous prognostications that on account of the extraordinary conditions existing in wheat that this cereal will probably be the last one to benefit from either currency or other inflationary measures. Corn, oats and rye must also be put in that category. What a different picture when we look at the price of rubber, which is an article which must be imported, or cocoa; and again cotton, which we always export as the world must buy a certain quantity from the United States. Therefore, such commodities have derived the immediate and the greatest benefits. If the past is any experience, it must take two years or more before inflation is so complete that the full effect on even domestic commodities is wholly discounted. .

As the time element is so important in all speculations, we therefore have to discard for the moment the final outcome of values, and not forget the immediate situation.

There were again fair rains in the southwest, bringing about great improvement, and with only two months away from the beginning of the harvest of the new winter wheat it is well to consider what the level of prices will be when the farmer wants to realize on his crop, and when the speculator for one reason or another may hold off carrying the burden until the consumer takes up the load. In addition, we are in the midst of heavy May liquidation, which by no means is finished. The open interest in this future last night was still almost 48,000,000 bushels. Of course, a large share will be transferred to either July or September; and at this reduced level new speculators may come in and relieve those who must sell out on account of exhausted margins, or are not willing to take any further risks. The amount of these new-comers will determine whether there will be an immediate reaction from the declines.

Cables were only 1-cent per bushel lower, showing that foreign markets have about discounted their bearishness and are no longer influenced to a large extent by our declines. There is still a difference of about 10¢ per bushel between Liverpool and our July wheat, ours being the higher. This is a narrowing of close to 10¢ a bushel over a period of three or four weeks. The difference is still great, but of course it is not excluded that Europe might advance should anything happen to its crops, thereby bringing us nearer in line. Nevertheless, we shall not feel safe in predicting higher prices until a further adjustment between our market and the balance of the world has taken place.

Primary receipts continue to be extremely light, being only. 29,000 bushels today compared with 688,000 last year. Stocks of wheat at Kansas City, Duluth and Minneapolis so far this week show a decrease of only 33,000 bushels. No clearances were reported whatsoever from Atlantic or Gulf ports. We look for very light receipts, as farmers who have been holding their wheat so far are not likely to throw it on the market now at such reduced prices.

Corn had an initial sharp break, stop-loss orders near the opening being responsible for the early selling! On the decline, some corn sales were made abroad. While they were only in moderate quantities and for corn held in special positions it shows very clearly that this cereal is pretty much in line with the balance of the world, and that any further breaks would bring about export sales. This makes us feel friendly to this cereal. Receipts were also very light, only 326,000 bushels against 693,000 a year ago; this should continue for the remainder of the crop year.

Oats held comparatively strong, and the low price may attract new buyers.

Rye followed the other cereals but only in a moderate way.

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FORT WORTH GRAIN AND COTTON EX.

April 18, 1934

Of the numerous inflationary bills now under debate in Congress, it is difficult to predict which ones will finally be enacted into law and which held over for another session. However, the intention is still emphatically apparent to commit the government to various experiments, some of which might prove very expensive, and no effort is being made as yet to reduce expenses anywhere. That this will certainly lead to more inflation seems beyond the slightest doubt. It is not necessary to be unduly pessimistic and fear that it will become uncontrollable, but in the long run it is likely to result in more depreciation of our currency, or in other words, higher prices for commodities, wages, rents, freights, etc. Such reasoning undoubtedly was the cause of higher stock markets today, which in turn affected cereals for a while, until renewed selling took place.

Wheat continues a laggard only for the reason that it is a most difficult problem to inflate a surplus. If present crop prospects follow through, there is likely to be a surplus of close to 350,000,000 bushels in the United States, whereas a carry-over of 150,000,000 bushels to the next season would be plenty; so that 200,000,000 bushels of wheat must be disposed of by export or through other channels than normal consumption in order to re-establish a sound fundamental condition.

This is a prodigious task, particularly in view of the fact that due to very favorable moisture conditions in Canada that country bids fair to produce at least a normal crop. In years past on the expected acreage they have raised as much as or more than 450,000,000 bushels; and with probably 200,000,000 bushels carried over on August 1 the world is likely to be confronted with a very bountiful supply of wheat.

The world's wheat conference now in session at Rome holds out no prospects of any immediate relief. The export quotas for the 1934 season are already fixed, and our allotment for the ensuing year is only 90,000,000 bushels. Therefore unless adverse weather conditions reduce present prospective yields, or unless some steps are taken for the destruction of some of the wheat to be harvested, such as was done in cotton last year, it does not look as if we shall be much better off twelve months hence than we are now. The United States representative at the conference has the right idea: that nothing much can possibly be accomplished unless all exporting nations agree to reduce their acreages. This is a question which is now being submitted to the various governments, but no conclusion has been reached as yet.

Primary receipts of wheat were again very light, only 278,000 bushels compared with 733,000 a year ago. There were no clearances reported, but stocks so far this week at Kansas City, Duluth, and Minneapolis show a decrease of 119,000 bushels.

Corn showed a very much firmer undertone. Receipts here are light, only 53 cars, and the total primary receipts today 235,000 bushels vs 645,000 in 1933. The country apparently has stopped offering corn to arrive, and we believe stocks left in farmers' hands above their needs are extremely small.

Oats and rye show much greater firmness in sympathy with the generally improved tone in the other cereals.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 19, 1934.

A press dispatch fromWashington quotes Secy. of Agriculture Wallace as exressing the belief that during the present year domestic and world price levels f wheat would tend to come together. If such is the new policy of the Deartment of Agriculture, we can only congratulate Mr. Wallace on having reached his wise decision. We had never wavered in our opinion, frequently expressed n our market letters, that the low price of wheat was largely due to previous fforts to peg prices here. This prevented exportations which would have reieved the situation. These activities started in 1929, and it is clearly shown rom the unsatisfactory results that this is not the way to help the wheat farmer. e also feel that now is an opportune time to reiterate this statement. Farm eserves at the present time are probably less than 100,000,000 bushels; and as 0 or 40,000,000 bushels always remain on the farms, even at 20 cents a bushel ecline on, say, 60,000,000 bushels, the farmer would suffer a loss of only 12 million on his holdings. It is not he, but the speculator carrying the load, ho will suffer.

As far as the new crop is concerned, there is no question that the processng tax will be correspondingly increased so that the farmer will not be the reat loser; and if finally we are able to get rid of our large carryover we shall e in a sound position again and higher prices will come about in the natural ourse of events. So far, through having maintained a high domestic price level, e made it possible for Argentina and Australia to dispose of their crops and ncouraged them to increase, or at least not to decrease, their acreages. In ime, as the additional pressure of our sales abroad becomes felt, cognizance ill be taken of it and plantings will be reduced throughout the world without he assistance of world conferences.

We have in mind a similar period in wheat history, in 1894, when the price eclined to 48¢ a bushel. Gradually land was neglected, acreages reduced, etc., ntil in 1898 wheat sold at $1.75 without the intervention of government aid. here is no reason why history should not repeat itself, as the farmer himself ill be anxious to divert his energies to the production of some crop other than heat which pays better returns.

The commercial situation also will be only slightly affected. As a rule nly about 500 to 600,000,000 bushels of wheat are disposed of after deducting he amount the farmer used himself for feed and seed; so income losses of 100 million more or less, equal to 20¢ a bushel, is inconsequential if he benefits therwise. At the present time there is a tremendous profit for those who have ed cattle or lambs, much more important to the farmer's income than the decline n wheat prices.

In order now to predict what wheat will really be worth when and if peritted to work out its own destiny, let us consider Liverpool figures. July wheat losed today at 66 1/2¢ and October wheat at 69 1/8¢. This leaves us about 1/2¢ above the Liverpool price, whereas we should normally be beneath it. With cean freights very low just now, wheat would have to break at least 15¢ a bushel ore before exports from Chicago would be feasible, although there are many other istricts from which exports could be made independently of the Chicago market. e refer to those sections adjacent to the Atlantic and the Gulf ports. It would ot require such a decline to export wheat from Texas or Oklahoma or from Maryand, Pennsylvania, or some of the other eastern states; and with the very large rop in prospect on the Pacific coast much of that wheat could probably be sold broad on a further decline of about 10 cents a bushel.

Under the circumstances, higher prices and the prevention of further delines seem quite remote unless there should be deterioration in either Europe, he United States, or Canada. The outlook at present is normal or better.

At the close wheat showed a decline of 3¢ per bushel.

The situation in corn was and is entirely different. We are within a ouple of cents from an export basis, and the existing supplies are just about ormal. We look for light receipts for the balance of the crop year. Primary reeipts today were only 247,000 bushels compared with 535,000 a year ago. At one ime there was a sharp decline in the price of corn, but only in sympathy with heat, and when this cereal showed the least firmness corn did much better and ctually closed higher for the day. This shows that others share the opinion ith us that corn is in a very sound position intrinsically.

Oats held their own. Rye was somewhat lower, but this was natural when heat had such a sharp decline.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 20, 1934.

The conviction is now pretty well crystallized that unless
erious crop deterioration develops between now and harvest we must
to an export basis this year; so henceforth more and more attention
ist be given to foreign quotations, as was the custom before our
rices were held above world's parity. The slight decline in Liver-
ool wheat today notwithstanding our sharp break yesterday is a plain
ndication that our new policy of letting the market find its own
evel is causing no disturbance abroad and that they have no fear of
arge offerings from here either now or later on.

This attitude may easily be explained by the fact that prices
road are already so low as to be almost unbelievable, if figured on
ie old gold basis. The present value of July wheat in Liverpool on
asis of present exchange is 66 1/4 cents, but on former gold values
would figure only about 39 cents, undoubtedly the lowest price in
old that has ever existed. Our level here is not very much better,
s figured in the same way it would be about 46 cents per bushel.

Recalling past experience, it is only a question of time before
l values must adjust themselves to this new monetary base, and from
at viewpoint prices appear ridiculously low. However, when the time
ement is not sufficiently considered, losses can be very great. No
ne man could believe that such low levels could long exist after the
justment due to the depreciation of our dollar had been made. At
e same time, we are dealing with an exportable surplus which may
ve to be carried quite some time, accruing storage, interest, and
surance charges, which must all be added to the cost. Therefore we
ist distinguish very definitely between the immediate situation and
at further removed. At present we are still confronted with a
irly large-sized open interest in May wheat, amounting to over
,000,000 bushels, which has to be either liquidated or transferred
some future month; and we are within only a little more than two
nths of another crop which seems to be getting along very nicely.
e speculative temper just now is not such that it is likely to ab-
rb large quantities when the new crop starts to move.

The weather both here and abroad will continue to play a more or
ss important part. While we have had some precipitation lately in
e southwest it will be necessary to have timely rains all during the
owing period to obtain best results. The northwest is lacking
eatly in sub-soil moisture, and unless they receive precipitation
om time to time crop-scare markets are possible in spite of the
arish statistical position. Under these circumstances today's up-
rd reaction was quite natural. A decline of over 10¢ a bushel which
d taken place in four days discounts a great deal, even assuming
at finally we should have to drop to an export level.

Stocks at terminal elevators continue to decrease, and so far
is week Kansas City, Duluth and Minneapolis show a net decrease of
2,000 bushels. Primary receipts keep light, today being only
7,000 bushels against 444,000 a year ago. No clearances whatsoever
re reported. At the close the wheat market showed an advance of
4¢ per bushel compared with yesterday.

Corn showed a very strong undertone all during the session, even
en wheat was the weakest. Primary receipts continue to be very light,
ly 220,000 bushels versus 653,000 in 1933. Both the yellow and the
ite corn are already bringing tremendous premiums over the May
ture; white corn as much as 5 to 6¢ a bushel. The farmer seems very
ch indisposed to market the remainder of his crop, and shipments dail
e now larger than receipts, today's outgo being 418,000 bushels. Con-
quently, we look for another good decrease in the visible supply.
look forward to considerably higher prices for corn as the season
ogresses.

Oats and rye also showed great firmness after a weak opening;
ey will probably continue more or less to follow the trend of the
her cereals.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 21st, 1934.

The continued strength of French francs to the extent that at urrent quotations it would be possible theoretically to export old, led to various rumors and suppositions of possible further onetary inflation. Our dollar was weak compared with sterling lso, which regained the $5.17 level. However, exchange transactions re of such small volume that it might be very easy to place undue nportance upon these fluctuations; and from all other indications e believe that there is at present little justification for assuming that our dollar will be further devalued, even in view of the any and varied radical bills now before Congress.

On the other hand, we feel quite sure that another kind of nflation is steadily going on and in due course of time will make tself definitely apparent. We refer to the large bank deposits, or which there is no sufficient outlet except purchase of government bonds, causing low interest rates; and to the fairly general ise in wages and higher cost of living. Advances are not yet eneral in all articles, but one who has observed the effects of urrency devaluation in Europe must know that it usually takes years efore the full effect of such a process is felt.

Such considerations were again the great influence in the rain market and imparted more or less strength to wheat. Besides, he absence of rains overnight and the continued dryness in the orthwest had their bullish effect. Were it not that the outsiders ow fully realize what the grain man has known right along: i.e., hat during the next season wheat is almost bound to go to an export basis, these strengthening influences would have caused still harper upturns.

At the close the wheat market showed an advance of 1 1/8¢ per ushel. Liverpool also showed great strength, advancing about 1¢ bushel; but inasmuch as we followed them the disparity between he two markets is still as great as it was.

For the future the weather, particularly in the northwest, will lay a very important part in shaping prices and sentiment. For he coming week occasional showers are predicted for the middle of he period and again for the end of the week; and if these materialze it will relieve the situation somewhat. However, the northwest emains very dry and precipitation is needed, possibly more than ust showers.

Stocks of wheat at Kansas City, Duluth and Minneapolis so far his week show only a small decrease, 264,000 bushels. Therefore, robably the visible supply will show a slight decrease. No wheat learances were reported. Primary receipts still keep light, 20,000 bushels compared with 590,000 bushels.

Corn was extremely strong, although did not hold its full adance. Primary receipts remain light, 275,000 bushels against 67,000 in 1933. We still maintain that it is not likely there will e any heavy receipts for the balance of the crop year. Cash preiums for both white and yellow corn are increasing right along.

Rye and oats also had fair advances.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 23, 1934

Considerable apprehension was shown last week because of the
at strength in French exchange which affected Sterling as well,and
point was reached where exports of gold became a possibility with
mall margin. We viewed this as a quite natural condition and of
importance. What probably occurred was a restoration of confi-
ce in the franc due to the radical measures of the French govern-
t to put its finances in shape, among them being a reduction of ex-
ses equivalent to about $250,000,000. Funds which were in hiding
this and other countries have probably been repatriated. Govern-
t bonds advanced in France, and the whole affair had very little to
with our monetary policy except that the proposition of many infla-
nary measures may possibly have accentuated the bearish feeling for
dollar and the bullish one for the franc.

Almost every year for a century at various times gold has been
h exported and imported by the United States. In the fall our
ge exports of grain and cotton have been paid for in gold, and lat-
the yellow metal has been sent abroad to pay for our imports of
ious merchandise. If our international trade continues in any vol-
we must expect these movements to and fro, and they will mean
ther more or less inflation. The European central banks were per-
tly willing to part with some of their gold when the trend was in
s direction, and we recently imported more than $700,000,000 worth
we should not hesitate to part with some of it when our trade bal-
e justifies such action.

Today the general news was less inflationary. Our President is
atly opposed to all the silver bills which have been suggested in
gress, favoring rather an international agreement on the subject.
s would necessarily mean great delays, and we doubt very much
ther any of the gold countries could be induced to change their
as, expressed at the time when Senator Pittman brought it up at the
don conference, when it was shelved.

The less optimistic feeling in stocks and cotton was reflected in
at markets at the opening of our session, causing lower quotations
withstanding that there was no precipitation to speak of over the
k-end. The dry condition in the northwest is the subject of much
ment also; but, just as we felt no alarm during the long dry period
the southwest, we feel that there is still plenty of time for the
ee northwestern states to raise a good crop if rains are not too
g delayed. As a matter of fact, practically little wheat has as
been sown there, so too much anxiety seems unreasonable. We have
n years when seeding of the spring wheat has been delayed until the
dle of May and yet good results were attained.

After many fluctuations (more than usual), wheat futures finally
lined 7/8¢ compared with Saturday. The visible supply of wheat de-
ased only 1,086,000 bushels compared with 2,845,000 bushels same
k previous year; and the total is now 39,000,000 bushels less than
was then. There were no wheat clearances. Primary movement re-
ns very light, 367,000 bushels compared with 908,000 in 1933.

We must now assume, from the various statements made by the Secre-
y of Agriculture, that there is no objection on part of the ad-
istration to let wheat go down to a point where it could be export-
should conditions make it necessary. Consequently, all we have
watch from now on are foreign markets and our own crop prospects.
erpool wheat was quite weak and is staying about 10 cents a bushel
er than ours. The winter wheat crop is progressing nicely; but
e moisture is needed and continuation of dry weather would bring
ut a more bullish sentiment.

Corn showed great strength, but weakened at times when its sister
eal declined sharply. Primary receipts were only 242,000 bushels
pared with 1,262,000 last year - just about one-fifth. It is true
shipping demand is also poor; but nevertheless the visible supply
wed a decrease of 1,898,000 bushels versus 875,000 last year. We
ieve that later on with a short acreage assured and with the prob-
lity of crop scares and reduced stocks, corn will sell much higher.
s in turn, of course, might influence oats also; but since so lit-
has been accomplished during the past season when there was a
ine crop, it is difficult to become bullish on oats at this time
n we might raise 400 to 500,000,000 bushels more.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 24, 1934.

Silver suffered a sharp decline early today at New York, re-
ecting the feeling that the present Congress will enact no silver
gislation contrary to the wishes of our President. The latter sug-
sts that some arrangement be made at a conference later on in which
l nations shall partidipate; but as there seems no enthusiasm for
y silver agreement outside of this country, there is not much hope
concerted action.

Assuming that our theories are correct and that there is no
mediate danger of further inflation via the silver route, there are
t few economists who do not believe that more inflation is in sight
oner or later. The government persists in keeping extraordinarily
rge balances in the reserve banks, and money probably is as cheap
it ever was. If business men and capitalists all expect or fear
rther inflation, commodities will continue to be accumulated, at
ast those that are not so greatly overproduced, and consequently
ve a chance of advancing in price.

Furthermore, we should never lose sight of the fact that on
tober 27th President Roosevelt said of farm products: "It is def-
itely part of our policy to increase the prices. If we cannot do
is one way we will do it another. Do it we will". As a matter
fact, both wheat and corn have declined since that time. Even on
shorter acreage, results in both winter and spring wheat might be
yond present expectations, due to the continual increase in use of
rtilizer, sales of which up to the end of March were more than
uble those of last year. If, then, the administration holds to its
solve to raise prices in some other way since the first experiment
s obviously failed, it is not inconceivable that the dollar will
further devalued. For about a hundred years, and until recently,
e gold content of the dollar was constant, and it would have been
unheard-of expedient to make any change; but under different con-
tions, once the tradition has been broken, a second infraction
mes about more easily.

A new element is entering into the situation which might tem-
rarily upset otherwise reasonable calculations as to the trend of
e market. In all likelihood the processing tax will soon be in-
eased, particularly in the event of further declines in prices. We
derstand that the law does not now carry a provision for the im-
sition of a floor stock tax to be effective when the processing tax
raised, so that supplies owned by millers at that time would not
subject to the increase. Thus in anticipation of such action,
llers would doubtless put in as large supplies as possible to evade
e additional payment, which might necessitate the taking out of
dges and cause a temporary advance; although this would not hold
en the new wheat moves to market, with a virtual absence of buying
millers.

Primary receipts today were 305,000 bushels compared with
,000 last year. Stocks of wheat at Kansas City, Duluth and
nneapolis so far this week show a net decrease of only 64,000
shels. Clearances were nil both today and a year ago.

As the session progressed considerable weakness developed in
nneapolis, and as this market had been very strong for about two
s it had quite an effect upon sentiment here.

There was no relief from drought reported in the northwest,
hough with seeding operations hardly more than started many feel
t spring rains will still change the present outlook. There is a
nce of moisture developing in the southwest. There was also
stern liquidation and new buyers could only be found after the
ket had had a very sharp decline.

Corn was comparatively firm, even when the leading cereal
akened, and with light receipts we believe that any demand from
ustries will mean hedges taken out of the market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
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YORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 25, 1934.

May liquidation certainly has played havoc with cereal markets. wheat especially, the decline amounts to about 12¢ a bushel as mpared with the closing price of the last day of March, while in rn, oats and rye the losses were also very considerable although t quite so large as in wheat.

The reason for these declines is not far to seek. Large com- tments had been made during the past six months as a protection ainst inflation, which has so far failed to work chiefly because o points were overlooked: the tremendous oversupplies of all reals, with underconsumption; and the time element. Inflation does t work automatically nor alike in all commodities, and those which e neither export nor import articles are the last to be affected. were not on an export basis with wheat, corn, oats nor rye; so, if l theories are otherwise correct, the inflationary effect on these mmodities is not due until some time later, possibly even a year two.

Silver prices declined again today before the opening of our ssion, depressing wheat right at the start. However, too much im- rtance is being attached to the price of this metal as affecting rld conditions. The total production last year was only about 5,000,000 at current quotations (which shows a great enhancement er previous values) as compared with the value of the world's wheat op of $2 to $3 billions a year according to fluctuating prices.

With May liquidation practically out of the way in the next ur or five days and with small likelihood of any silver legislation, eat values from now on will no doubt be based more largely on ather and crop conditions and prospects for export business. As far the weather is concerned, there is a great possibility of a crop are in the spring wheat territory. Whether or not it will come out cannot, of course, be foreseen, although the basis for it un- estionably exists as the subsoil moisture is the poorest it has en in many years and more than normal rainfall will henceforth be quired to produce the best results. The winter wheat crop so far normal, but there is certainly no excess of moisture and any ad- rse weather now would immediately change sentiment, bringing buy- g orders into the market as always when sensational reports from e wheat fields are circulated.

Meanwhile, although we are still considerably out of line for port, the discrepancy is not nearly so great as it was. July wheat Liverpool now is about 9 1/4¢ under us, while only a month ago it s about 20 cents under. Our September wheat is only about 7¢ high- than Liverpool October. Therefore any advance in foreign markets uld be quickly reflected here. European crop prospects are nor- l at the present time, although it is not probable that bumper crops ll be raised as in 1933.

Primary receipts of wheat were very small today, only 239,000 shels compared with 499,000 last year. So far this week stocks at nsas City, Duluth and Minneapolis show a net decrease of 194,000 shels. No wheat was cleared either today or a year ago.

Toward mid-session the market showed great rallying power from e low quotations established early, and with some let-up of May iquidation and with continued dry reports reaching this market from e northwest there was quite a change of sentiment. It is quite ikely that moisture will occur tonight and tomorrow west and south- st, but little or no rain is indicated for the northwest. With e already droughty situation which exists, the trade remains ner- us, and this may be the foundation for little better buying power. ather of course will be closely watched, being a very important ctor.

Corn suffered early, but also enjoyed a good recovery when the ading cereal gained strength.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

April 26, 1934.

Early declines in some of our chief commodities such as
tton, silver and cereals, seem to indicate that for the present at
ast either the expectation of immediate inflation has subsided, or
se it is not working out according to the original idea. The rea-
ns are not very hard to find. This inflation program is not the
nopoly of any one nation. Countries other than ours have engaged
it and have adopted the same or similar methods so as to be on a
mpetitive basis. Recently Czecho-Slovakia and Argentina began
rking in this direction; Germany, Italy and France are trying to
duce living costs, which is deflationary; in Japan currency has de-
eciated more than ours. Some South American countries, like Peru
d Chile, have depreciated their currency sufficiently to have at-
ained the goal toward which we are aiming, and their price level is
gher now than it was in 1926.

These procedures have the character at the moment of a
neral world deflation, so it might easily be figured out that the
esent general level of prices is possibly the lowest, expressed in
ld, that it has been in forty or fifty years, and wages are pro-
bly only slightly higher. Therein perhaps lies the hope of improve-
nt. There is a limit to how low real values can go; and although
is not generally recognized how low world prices have sunk because
e indicator has changed, they must soon reach a point from which
ey can decline no further. At that point improvement must start
d would be of corresponding benefit to us.

The cash price of wheat at Liverpool just now gives a clear
cture of the real status of these price declines. In that market,
e largest importing country in the world, cash wheat is only a
ifle more than 40 cents per bushel in its old gold price, after
ying transportation charges from the countries of origin, dis-
nces of three to five thousand miles and heavy interior railroad
sts.

This all clearly indicates how volcanic the changes may be
en once the turn comes; and the sooner international business in-
eases which is still being done on a gold basis, the faster in-
ationary measures to which we have resorted already will be felt.
erefore the present situation is no indication of what the future
ll bring forth.

As far as wheat is concerned, the immediate influence is the
ather. There have been fair rains in the soft wheat belt, but the
rthwest is still being neglected, and the precipitation in the south-
st was scattered and insufficient. The foundation for a moderate
op scare is still in existence; therefore the quick rallies from all
w points, and after a fair-sized break during mid-session a recovery
ok place. The wheat market at the close showed practically no
ange compared with yesterday. Primary receipts of wheat keep
ght, 269,000 bushels against 559,000 previous season same week.

Corn is still suffering from May liquidation, but the open
terest is declining rapidly, and we believe that after the beginning
the new month when discouraged holders of corn will have disposed
their long lines, we may look for an improvement. Receipts con-
nue extremely light, 230,000 bushels versus 995,000 in 1933; and we
pect no change in this direction. The close showed a decline of
4¢ per bushel.

Oats and rye were not dealt in in large quantities, and price
uctuations were small.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

April 27, 1934

Superficial thoughts would hardly draw any connection beween a settlement of the railroad strike and the price of wheat. hile fully agreeing that the dominant factor as to the price of heat is the out-turn of the crops, yet a number of other matters ave a great influence; and, particularly so, the general price evel. Now it is easy to reason that if railroad wages are gradally restored to the 1929 level, following similar advances in he motor industry and in the steel business, we can only come to he conclusion that inflationary influences are at work. If inreased costs for transportation continue, and at the present time e have to figure not only on a higher pay roll but also more exensive equipment and more expensive coal, freight rates on grain ight finally be affected, not to speak of an all round advance n the transportation of all commodities. This psychology certainy will have its effect upon markets in general; although, as stated efore, the price of wheat was influenced today by more scares rearding the final outlook of the crop. There has been no moisure in the northwest where a very droughty situation exists. here is a slight possibility of precipitation during the next orty-eight hours, but it is very doubtful. There were continued ood rains in the soft winter wheat belt. However, it is generaly surmised that when the private experts come out with their stimate within the next few days, they will have come to the conlusion there has been some reduction in the probable outcome of he winter wheat crop.

As we have mentioned for several days, there is a possibility f a crop scare should there be further deterioration; but of ourse nothing alarming like last year is apt to happen. At the resent time the outlook is still very fair in Texas, Missouri nd Nebraska; excellent in Oklahoma, and very reasonable in Kanas with the exception of the western part. A total crop of only 00,000,000 bushels, which would be a very conservative and low stimate at the present time for both winter and spring wheat, ould place us in a position where we would have to export a great eal, as our carryover at the end of the year will probably be 50,000,000 bushels or more, which is double of normal. Liverool markets, as well as Winnipeg, have not followed us in this dvance. Therefore, we are again further away from export than e have been.

In the meantime, primary receipts of wheat were again very ight, only 223,000 bushels compared with 501,000 last year. Never heless, stocks at Kansas City, Duluth and Minneapolis show a derease for the week of only 388,000 bushels, showing that the millng demand must be much below normal. The official exports of heat and flour for nine months, up to March 31st, were 27,684,000 ushels. But our importations were 8,495,000 bushels; so the net xports were only 19,000,000 bushels, probably the smallest durng the last twenty-five years; and of that amount probably more han 90 per cent was shipped abroad, by government agencies, at a oss of about 23 cents a bushel. At the close wheat showed an adance of 7/8 cent per bushel.

Corn receipts were again very light, primary receipts beng 304,000 bushels compared with 1,108,000 last year. Neverheless, this cereal closed 1/8 cent lower, suffering severely rom continued liquidation in May futures. This, however, will e out of the way in a few days, at which time we may expect a ore strengthening tendency.

Oats and rye profited only moderately despite the great trength in wheat.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 28, 1934.

There being absolutely nothing new in the monetary situation,
nothing which can be explained or dwelled upon that has not pre-
isly been discussed, the wheat traders devoted all their attention
ly to the prospective crop outlook. We have mentioned in every
of our market letters since April 23rd, including yesterday, that
foundation is laid for a crop-scare market, and that its develop-
t will depend to a large extent upon the weather. There had been
rains to speak of in the meantime in the northwest, very little in
southwest, and the fine rains in the soft winter wheat belt have
n ignored. Today the weather map was entirely void of any sign of
sture overnight where needed. The long-time prediction is also not
y encouraging; scattered showers are forecast for the beginning of
week followed by cooler weather and unsettled for the latter half
n moderate temperatures. Therefore, the best one can hope for,
uming the above prediction comes true, are a few showers early in
week. However, heavy, soaking rains are needed, and not just a
showers.

As far as the actual situation is concerned, we do not feel one
alarmed as yet. The latest government report estimated a yield
winter wheat of 491,000,000 bushels compared with a total of both
ing and winter wheat of 527,000,000 bushels last year; and we do
think there has been much, if any deterioration as yet. While the
thwest might have gone back a little, the soft winter wheat dis-
cts have improved. So whatever happens, a calamity, such as last
r, is not in sight. A fair crop for the northwest would be
,000,000 bushels, which under the present circumstances, probably
not be attained; but on the other hand, hardly ever has the spring-
at territory raised less than an average of 9 or 10 bushels to the
e. So even 170 to 180,000,000 bushels, which ordinarily is con-
ered a calamity, would give us a total yield of more than home con-
ption, and we would still have to figure on getting rid of part of
large carryover. However, in crop-scare markets, long before
vest, imagination often runs wild, and we have repeatedly seen
ce advances of 10 to 20¢ a bushel on speculative purchases long
ore the actual weight of the new crop is felt. This, of course,
only come about if day after day the trade is disappointed on ac-
nt of lack of precipitation, and these weather markets are about
difficult to predict as anything under the sun.

Today everything except the weather was entirely ignored, even
weak stock market, and at the close wheat futures showed an ad-
ce of 1 5/8¢ per bushel over yesterday. This again puts us fur-
r out of line for export; our July future closed 11¢ higher than
erpool and 12¢ higher than Winnipeg.

No wheat clearances were reported. Primary receipts of wheat
e very light, 242,000 bushels compared with 751,000 a year ago.
cks of wheat at Kansas City, Duluth and Minneapolis so far this
k show a net decrease of 469,000 bushels, indicating a moderate
rease in the visible supply on Monday.

Corn followed the wheat advances only reluctantly on account
the weakness in the May future and expectations that there will be
vy deliveries on May first.

Oats and rye showed moderate strength in sympathy with its
ter cereal.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO April 30, 1934.

The weakness in the stock market today was ignored in cereals,
cause the declining tendency in Wall Street was attributed to the
scussions of the new Stock Exchange bill and not to any adverse
nditions in the business situation. While it is true that there
y be some letup in activities in various lines due to special con-
tions, the consensus still is that as long as the United States
s accepted a temporary policy involving an immense government
ficit as the necessary stimulant for natural recovery, purchasing
wer will be maintained for the time being. If this aim of the
ministration is realized and if the time comes when present govern-
nt expenditures may be discounted, the situation will be sound.
wever, if normal business recovery does not result under the pre-
nt method, and expenditures will continue,bringing in their wake
re deficits, as a consequence more inflation will come.

The action of wheat today was dominated entirely by con-
tions within the cereal itself. Again there was absence of rains
th in the southwest and the northwest; and while there is a possibil-
of showers in both territories, the indications as far as the
ather prognosticators can tell are not sufficiently clear to war-
nt hope of more than this. Heavy and general downpours are greatly
eded, particularly in the spring wheat states, and many reports
e being received intimating reduction in expected yield throughout
e entire wheat territory. Imagination very often exaggerates actual
nditions, but it is a fact that we shall have to figure on smaller
elds than were expected about a month ago. Even when conditions
re at their best, forgetting for a moment the large carryover, the
tlook was for only a very moderate excess over home consumption.

Under the terms of the London conference, the United States
s a quota for export of about 90,000,000 bushels; and with the pre-
nt feeling prevailing in Washington we may be almost sure that
is quantity will be shipped abroad either in a normal way or by
ans of bounties. Figuring our normal consumption at 625,000,000
d adding to this 90,000,000 to be exported would give us total re-
irements of about 715,000,000 bushels, which was a reasonable
timate of our production a short time ago. What the crop finally
ll be, it is hard to tell now. Meanwhile, our estimated carryover
250,000,000 bushels on July 1st will no doubt prevent the price
om mounting very high, but it now appears possible that by next
ar the amount carried over will have shrunk to more normal pro-
rtions than in some years past.

The strength in wheat kept up all during the session, and to-
rrow's price will depend largely upon whether there will be actual
prospective relief in the moisture situation. The weather will
ke the price now, overshadowing all other influences.

Receipts continue to be extremely light, only 359,000 bushels
mpared with 1,163,000 a year ago. There were again no wheat clear-
ces, and the visible supply shows a decrease of 2,054,000 bushels
rsus 2,545,000 the previous season, and the total now is a little
er 38,000,000 bushels less than in 1933.

Corn continues to suffer from heavy May liquidation, and the
en interest last Saturday was still 16,000,000 bushels. However,
ward the close of the session a much improved demand came forth, and
the close this cereal showed an advance of 1¢ per bushel. Con-
dering the very light receipts, only 371,000 bushels against
,358,000 bushels a year ago, and a decrease in the visible supply of
,732,000 bushels versus 202,000 last year ought to give corn a bet-
r standing later on.

Oats and rye were higher in sympathy with the other cereals.
r a time rye was much neglected on account of reports that more
portations from Poland were in sight, and on reports that some rye
d been worked for Chicago.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 1st, 1934.

Inflation fears, or hopes, as the case may be, are dormant ust now and not a market factor. Nevertheless, it should not be ntirely forgotten that they might again become an active influence t any time. The commercial world has not yet settled down to any ermanent monetary arrangement. The gold countries are trying their est to reduce wages and living costs so as to compete with other xporters who are deriving considerable advantage from the dereciation of the various currencies. This means lower prices in rance, Germany, Italy, Holland, etc., and to an equal extent delation in world prices. It is this also which makes it difficult o raise prices of our stable commodities, especially those which ust seek a world market; and wheat will thus be more or less afected as long as such conditions exist.

Just at the moment, however, many factors are being overlooked hich will no doubt be of great importance later on. This is usualy the case when we are in the grip of a weather market; because othing arouses speculative imagination so much as the possibility f destruction to crops by too little moisture, as such a calamity ould overshadow almost everything else. There was for a while a ood foundation for a crop scare, but when those who scrutinize the eather map with unusual precision announced that in all probability he drought might be broken overnight in the northwest and that preipitation was also quite likely to come the day following in the outhwest, an opening decline immediately took place and continued uring the session. Those who had been the largest buyers of the receding days and had accumulated considerable lines in the hope hat weather conditions would continue to favor their operations, ere the largest liquidators today, and there were very few reoveries, until at the close the market showed a final decline of ver 2¢ per bushel for wheat.

The progress of the crop is being so closely watched, as there eems to be no middle ground if we raise sufficient quantities above ome needs to make us dependent upon an export outlet for our surlus. In such case, foreign markets would become very interestng; but it would mean a leveling down of our prices unless those broad should advance. At the present time our July future is still 1¢ over Liverpool and 12¢ over Winnipeg.

There were no deliveries of any kind of wheat today, which puts horts in a rather tight position. The May future gained considerbly on the July. However, we do not anticipate any squeeze to amount o much, as some wheat is already on the way from St. Louis, and with ny further improvement in the difference between these two futures ndoubtedly more will come. Receipts continue to be extremely light; rimary receipts only 182,000 bushels compared with 617,000 last year, tocks of wheat at Kansas City, Duluth and Minneapolis so far this eek show a net decrease of 239,000 bushels.

Corn naturally suffered in sympathy with wheat, but considering he severe decline in that cereal, corn held its own reasonably well, eclining about 3/4¢ per bushel. Receipts in Chicago were only 7 ars, and primary receipts were 334,000 bushels against 974,000 a ear ago.

The Commodity Credit Corporation came out with the statement oday that a total of 270,000,000 bushels of crib corn had been laced under seal on which farmers borrowed 45¢ a bushel. We assume his corn will be tied up for a long time, and therefore there will e very little available for any other purpose. This we think for he time being will strengthen the market; and we adhere to our pinion that corn will do better later on.

Oats showed very little change, and rye declined moderately in ympathy with wheat. There were also no deliveries on May rye conracts.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 2nd, 1934.

The weather still continues to be the all-important factor
the moment in shaping wheat prices. The best rains took place
the panhandle of Texas. It is safe to say that the situation
ere is fairly well relieved, and a good crop ought to be the out-
me. The situation is also fairly satisfactory in Oklahoma, as
ll as in all the states east of the Missouri river; western Kansas,
ich was in very bad shape, had some relief; and the northwest also
d fair to good showers in many places. But, of course, the
ought which has existed there now for several months cannot be re-
eved all at once, unless there should be heavy downpours. Some
provement has taken place, and our own weather man thinks the
ances are very good for further precipitation overnight.

The crop experts made the estimate of winter wheat on an
erage 486,000,000 bushels, which is only 5,000,000 bushels less
an the last government report; and if this quantity should be har-
sted it will represent about a normal crop. No accurate guess can
yet be made as to the spring wheat crop; however, it is sure that
e start is a very poor one, and more than the average amount of
isture is needed to produce best results, but it is too early to
ke any estimate as to the number of bushels that finally might be
rvested. Nevertheless, on the basis of the probable size of the
nter wheat crop, it is more than likely that sufficient total
antities will be raised to produce another exportable surplus, in
dition to the 250,000,000 bushels which is likely to be carried
er on July 1st.

There are then three possibilities: First- The administra-
on may decide to let matters take their own course, in which case
r price would have to descend to the world's level, which would
an much lower quotations. Second- The government might subsidize
e exporter so that 90,000,000 bushels of wheat will be exported,
ich is our present contemplated quota, according to the London Con-
rence. Third- We might, if agreed at the London Conference, give
bounties because of other concessions we might obtain. Of course,
that case wheat would also have to decline to an export level.
do not think, under the circumstances, that the administration
ll advise the trade what its policies will be until some time in
ne when another world's conference will take place.

The stock market was rather weak today and at times had a
pressing effect on values; but the trade in general was not quite
tisfied with the amount of moisture in the wheat belt, and had ex-
cted more. Yet traders would assume a very bearish position at
ce were we to receive further precipitation overnight, which is
ite possible. Primary receipts continue to be extremely light,
ly 267,000 bushels compared with 801,000 bushels the previous year,
d in consequence, stocks are decreasing quite fast; so far this
ek 550,000 bushels at just the three terminal markets, Kansas City,
luth and Minneapolis.

At the close wheat showed a decline of 1/8¢ per bushel.

Corn acted independently strong. May liquidation must be
out over, open trades yesterday having been reduced to less than
000,000 bushels, and with heavy deliveries again today the amount
ill open must be quite insignificant. There were reports that a
rge quantitiy had been sold today, about 500,000 bushels, and an
ual amount chartered, to go to Buffalo. Receipts continue to be
ceedingly light, and total primaries are only 125,000 bushels
ainst 1,123,000 a year ago, or about 11%. Actual shipments ex-
eded those of last season, being 480,000 bushels against 430,000
1933. The trade appreciates the changed conditions, and in spite
the weakness at times in wheat corn kept very strong, closing 7/8¢
gher than yesterday.

Rye and oats were very much neglected, price changes being
ly trifling.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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HICAGO BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 3rd, 1934.

There was more or less precipitation overnight in many of the wheat belt states; this refers to the northwest as well as the southwest, although the chief reporting stations of North Dakota showed little moisture. However, the official weather prediction indicates probable showers in practically every state west of the Mississippi; and by tomorrow we shall probably be better able to tell whether the drought situation has been greatly relieved and improved. Whenever the outlook so changes that we feel exports from the United States become imperative, we like to take a look at the world's situation. The whole trouble lies there, and explains why wheat abroad, and in the exporting countries, is selling at such low levels.

Broomhall estimates the requirements for this season of all importing nations, which also includes the Orient, as only 528,000,000 bushels compared with 664,000,000 in 1933, and 775,000,000 in 1932. Undoubtedly some of the reduced importations are due to extremely large crops in some of the continental countries, but we also hear of very few complaints about their crop outlook this year. While we may look forward to a better demand next year, it is not likely that we shall reach the height of requirements of the two previous seasons.

Now when we consider that Canada has many times raised more than 400,000,000 bushels, on the probable acreage seeded this year, and with 200,000,000 bushels carried over, she could easily spare 350,000,000 bushels; Argentina and Australia will probably want to ship more than 250,000,000 bushels; and if we figure 50,000,000 bus. for Russia and 50,000,000 bushels for sundry countries, we have a quantity of 700,000,000 bushels, which amount might be easily spared without one bushel being required from the United States.

It, therefore, is very evident that the situation is incurable unless both the importing and the exporting countries come to their senses and reduce acreages, as did the United States. We have already made great sacrifices, but other countries have not done as well. The harvested acreage in the United States in

1932 was 55,152,000 acres,
1933, 47,493,000 " , and
estimated for 1934, 53,000,000 ".

Let us compare this with what happened over 20 years ago. We had

in 1911, 49,543,600 acres
1912, 45,814,000 "
1913, 50,184,000 "

This would give us an average increase in acreages of about 3 1/2 million acres per year, or about 6 to 7%. Our population in

1910 was 91,972,000
1920, 105,710,000
1930, 122,755,000,
and today it is over 125,000,000.

Therefore our population increased about 35% since 1910, while our wheat acreages increased but very little. Whether the processing tax has reduced our consumption per capita materially cannot be positively stated, but the tendency is still to use some substitutes in place of flour. Unless business conditions improve greatly, it is not likely that our consumption will increase faster than our population.

It is therefore self-evident that unless something unforeseen happens the world will again be burdened with an excess supply which cannot be absorbed during the coming season and will have to be carried over once more. This inevitably will mean lower prices unless some artificial stimulants are used to delay the decline. In the meantime, although this country is supposed to have more than 250,000,000 bushels over its possible requirements this sdason, the stocks in Chicago are only about 1% of that, which creates an artificial situation in the May future, and it continues to gain on the July. It is quite extraordinary that the largest speculative market in the world should have attracted such a small quantity of wheat this season. We believe this will adjust itself, and if there is a further widening of May and July, no doubt, wheat will be shipped here from other places.

At the close the wheat market showed a decline of 1¢ per bushel for the active months.

(over)

Corn has shown a very firm undertone right along. Receipt still continue to be very light, only 230,000 bushels versus 793, bushels last year; and shipments are actually larger- 683,000 bus against 417,000 a year ago. We think this cereal will gradually better as the statistical situation improves.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 4th, 1934.

Whenever we have weather markets any reports of drought or
in overshadow all other news, which otherwise might have some in-
uence. With a drought scare existing, traders pay very little
tention to the cash demand. In fact they hardly inquire whether
are anywhere near an export basis; even monetary markets are
arcely discussed. We had this very situation today when there was
relief recorded in the northwest, and even good rains in the
ithwest made very little impression. There had been a similar
ought scare earlier in the latter section, but the recent improve-
nt was entirely ignored. This is really not very logical, but yet
fact. Reports were received of moderate precipitation to bounti-
l rains over a wide area in the real wheat belt of the country.
r example, Oklahoma and Kansas, as well as Nebraska, had been
eatly relieved; and our weather man predicts that the entire eastern
eat belt is likely to receive moisture overnight. Inasmuch as Texas
l received considerable rain previously, we would consider con-
tions quite normal, or almost so, except in isolated districts,
h the exception of the northwest.

This naturally gives us an entirely different picture than the
which existed last season. At that time the drought was so severe
at not only did the entire country suffer to the extent that we
ised the poorest wheat crop in possibly 30 to 40 years, but also
n, oats, barley and rye were alarming crop failures. We are not
ying that finally it will make a big difference how much the
thwest shall raise, but at the same time it should never be for-
tten that spring wheat acreage is only about one-third of the total
reage, and also in that one-third is included the territory of our
ific northwest, where prospects continue to be abnormally good.

Further consideration should be given to the fact that trade
extremely light, and that we have reached the eleventh month of
short crop, so there will be no immediate pressure on part of
mers' sales, as their stocks have been greatly depleted and
ir holdings are small. Consequently any new buying would have
eater effect on prices than the situation might warrant; but on
other hand, the opposite would take place should copious rains
ur in the northwest. In other words, sharper fluctuations either
are quite possible.

Primary receipts continue to be extremely light, only 252,000
hels compared with 853,000 last year; consequently stocks at ter-
ial markets are decreasing quite fast. Stocks at Minneapolis,
uth and Kansas City so far this week have shrunk 801,000 bushels,
icating a very large decrease in the visible supply on Monday.

At the close the market showed an advance of about 1 1/2¢ per
hel.

Corn followed the advance in wheat only reluctantly, although
statistical position is improving right along. Receipts at all
kets were only 237,000 bushels compared with 1,046,000 bushels
t year; and daily the demand here exceeds the supply. The
se showed an advance of 1/2¢ per bushel.

Rye sympathized moderately with wheat, while oats were in-
endently strong.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 5th, 1934.

The weather map was more or less mixed again today, not en-
rely satisfactory to either the bull or the bear. There were
re good rains in the southwest which undoubtedly are beneficial
that territory. They were widely scattered but did not cover
l that territory. There was no precipitation in either the soft
nter wheat belt or the northwest. It is the latter area which is
ceiving more attention just now than any other.

The private prognosticators thought before the opening that
ere were signs of probable moisture in the northwest states, but
e official prediction which came out later does not inspire much
pe in that direction. It indicates only the possibility of local
owers in northern Minnesota and eastern North Dakota, and this
en if received would not be sufficient to relieve the droughty
ndition. For the present about the only way to guess the market
to correctly guess the weather.

Meanwhile, a rather weak stock market was a secondary influence
on grain values. There is a little more discouragement regard-
g the general business outlook, and usually when stocks decline
e east becomes a less aggressive buyer of our futures. However,
me take hope of a possible change soon, when large cash dis-
ibutions will be made by the government to those who have com-
ied with the corn and hog reduction program. Something like
20,000,000 in cash is likely to be distributed, chiefly among
ght of the western states, and Iowa and Illinois would receive
e largest benefits.

When we consider how business temporarily improved in the
uth when a much smaller cash distribution was made to cotton
owers, we can easily see what a stimulant may follow through the
ntemplated disbursements in the corn belt states. So far this
ction has received but very little advantage from the spending
ogram. It is true, the government loaned possibly $120,000,000
corn to be held in cribs which may have been worth only 80 or
0,000,000, but this seems small in comparison with outright gifts
300 to $320,000,000.

After an early decline, when the weekly weather prediction
me out indicating no general precipitation in the plains region
cept some local showers, sentiment changed rapidly; and when
me very large outside buying orders came on the market there was a
eady advance, the close being 1 5/8¢ per bushel higher than yes-
rday.

Primary receipts continue to be extremely light, 231,000
ushels compared with 680,000 last year. Stocks at Kansas City,
luth and Minneapolis so far this week show a net decrease of
9,000 bushels, indicating a large decrease in the visible supply.

Corn followed more or less the fluctuations in wheat, except
e changes were smaller both on the up and down turns. Receipts
ntinue to be very light, only 270,000 bushels at all primary mar-
ts against 1,056,000 a year ago. We expect another good decrease
the visible supply on Monday, and think the statistical situa-
ion is improving right along. The trade is also getting ready
r crop scares, not only on corn, but on oats as well. Coarse
ains in general all closed higher; this also refers to rye.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

May 7, 1934

With not a drop of rain indicated on the weather map in the
ole western country over Sunday and none in sight for the im-
diate future, the crop scare which has been slowly developing
ined great impetus. Right at the opening our wheat market ad-
nced about 2½¢ per bushel and gained as the session progressed,
though finishing up at a moderate reaction from the high point
the day and about 3 cents higher than Saturday.

The drought is receiving more than usual prominence in our
cal newspapers, as the various correspondents are perhaps quite
pressed with what they see of local conditions. Flower gardens
d vegetation in general are greatly suffering. However, while
fully realize what might finally happen should adverse weather
ntinue, we have seen many situations worse than the present when
ry reasonable wheat yields were yet realized. Conditions in the
uthwest are immeasurably better than last season, as there has
en great relief from the extreme drought. Some of the states,
ke Texas and Oklahoma, are promising yields far above the aver-
e; and, after all, the spring wheat territory is of less im-
rtance as its total acreage is but about one-third of the whole.
ere seems very little doubt that North Dakota so far is worst
f, and it is the second-largest wheat state, Kansas being the
rst. Nevertheless, there have been times when crops planted
en later than the present showed fairly good results; and one
n become very pessimistic only on the assumption that rainfall
ere will continue as scarce as it has been during the last four
six weeks.

Our unusually small open interest in wheat, only 93,000,000
shels compared with 146,000,000 same date last year and about
00,000,000 on July 20, works both ways. In advancing markets,
th fewer traders long wheat and less for sale, larger fluctua-
ons are to be expected. When the open interest was as much as
0,000,000 bushels, there were numerous buyers and sellers on
ery fraction of advance or decline; but with smaller speculat-
e holdings, as at present, such is not the case.

Ordinarily a very weak stock market such as was registered
day would have changed sentiment considerably, but it had very
ttle effect today. Nevertheless, we ourselves cannot entirely
ssociate these two markets, because with values generally shrink-
g there will be less money available for grain speculation un-
ss the conditions in cereals should become so pronouncedly
llish that everything else could be ignored. As long as the
ought continues it is not likely that large speculative holdings
ll be thrown on the market, so the upward movement will have to
n its course; but only short crops finally will justify higher
ices.

Liverpool July wheat closed more than 14¢ a bushel under ours.
ceipts continue very light, hardly one-third of last year,
4,000 bushels compared with 1,373,000. The visible supply
owed a decrease of 2,416,000 bushels vs 2,798,000 last season,
d the total is now 38,000,000 bushels less than it was then.

Corn was also helped by the drought scare and sympathized with
eat. However, here again the extreme advance failed to hold and
e close was about 1 1/4-cent higher than Saturday. The statis-
cal situation in corn is getting more healthy right along. Re-
ipts are only 462,000 bushels compared with 1,354,000 last year,
d the visible supply shows a decrease of 2,435,000 bushels vs an
crease of 333,000 last year. It is now 21,500,000 bushels more
an last year.

Oats gained comparatively more than corn on account of the de-
riorating crop prospects. Rye also was moderately strong.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 8th, 1934.

We have frequently pointed how greatly all markets and all
modity values are influenced by sentiment in addition to statistics
supply and demand conditions. Were any proof of that needed,
nts which have taken place in France during the past four weeks
tainly furnish a striking example. A new strong government which
pired the French people because the budget was balanced through
ge reductions in general expenses and useful economies brought
ut a boom which is hardly believable. Government bonds advanced
much as 18 per cent; bank shares did equally well; and even rail-
d shares, without any present increase in traffic, but simply on
toration of confidence, gained in like proportion. There are as
no signs of any actual improvement in their business, but better
timent started the ball rolling and the other will probably follow.

Any favorable news from abroad should have an encouraging ef-
t upon business prospects in our own country. Here we are begin-
g to feel retrogression which in many instances is more than sea-
al. It is, therefore, quite likely that some of the policies which
e not proved themselves successful will either be altered or com-
tely changed to meet new conditions. The President expressed
self early in his administration that many of the plans were ex-
imental and if they did not work out they would be discarded.
refore, in building up confidence we believe that the tendency will
in the direction of greater freedom for business and away from
se restrictions which have been hampering industry. To accomplish
s business must depend more upon its own initiative than upon
ernment assistance, with the assurance that it will be conducted
a straightforward and ethical way.

As far as wheat is concerned, until the drought situation is
ieved, particularly in the northwest, and until crops are actually
vested, bringing new pressure, the daily fluctuations will depend
ost entirely upon the outlook of the weather map. There was
ctically no rain overnight, but the mere prediction of possibility
local showers in parts of North Dakota and Minnesota caused a re-
ion from yesterday's sharp advance during the early part of the
sion. However, when stocks and cotton improved, and with the un-
tainty of whether precipitation will be light or not, there was a
rp advance, the close being 1 3/8¢ per bushel higher.

On Thursday, May 10th, the government will publish its re-
t on the winter wheat crop as it appeared on April 30th. Unless
should differ radically from the private estimates it should not
an important factor, especially as no estimates will be made yet
the spring wheat outlook. All we can say of the spring crop at
present time is that it has had a very poor start and will re-
re much more than usual rainfall to bring even fair results. A
per crop is completely out of the question.

As for winter wheat, we must bear in mind that the abandoned
eage will be much smaller than last season, possibly only 14% com-
ed with 33.4% last year. On that basis there would remain for
vest 35,262,000 acres vs 28,420,000 in 1933, about 7,000,000 more,
ch even with a per-acre yield no larger than in 1933, would furnish
000,000 bushels of wheat. Last season's yield, 12.4 bushels, was
abnormally small that its repetition is most unlikely; so in view
these circumstances a winter wheat crop of 125, to 150,000,000
hels more than last season is entirely probable.

The trade is extremely nervous, as is always the case when we
e weather markets; nobody being able to guess just what the
ther will be. In the meantime receipts continue to be very light,
h no actual pressure of cash wheat; today's primaries being 225,000
hels compared with 779,000 a year ago. Stocks at Kansas City,
uth and Minneapolis so far this week show a net decrease of
,000 bushels.

Corn did not have the stimulant of a crop scare, like wheat,
followed only reluctantly. In fact it closed 1/4¢ per bushel
er than yesterday; and this in spite of the fact that the statis-
al position is improving. Primary receipts were 281,000 bushels
sus 1,043,000 in 1933, and shipmentswere 683,000 against 1,362,000
ear ago, thus indicating a continuance of a draft on stocks at
minal elevators.

Rye and oats were higher in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MINNEAPOLIS CHAMBER OF COMMERCE
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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 9th, 1934.

Weather conditions overnight were again most unsatisfactory. re was some possibility yesterday that the elements would so shape nselves that there might be at least a moderate amount of moisture the northwest, but such hopes were not realized, and the precipita- n which fell was confined to a very few places and to the smallest unts. Today the outlook is still more discouraging. According the latest official prediction, there are no rains in sight any- re either in the northwest or in the southwest; but the weather will cooler, and to that extent deterioration will be less. As the ement from the country is extremely light there is no expectation any great pressure in the way of hedging sales. Prospects are t this market will act, like most weather markets do, namely: it l remain firm and probably go higher until there is some relief, in the end it will be overdone and in due course of time will ad- t itself to actual conditions. This, of course, might be delayed il the crop is harvested and receipts increase, bringing about ssure. We have come to this conclusion because in spite of the ught there is nothing alarming as yet, unless deterioration should w as time goes on.

Tomorrow the government report will be issued giving winter eat conditions up to the first of the month. As far as winter wheat concerned, in all probability prospects will be for a crop of 130 40,000,000 bushels more than the previous season. The Agricultural artment very wisely will make no estimate on spring wheat, as no- y in the world can guess accurately what the final outcome might be. that can be said at the present time is that the start is a very r one, and weather at this time is also unfavorable, but good timely ns later in the month and in June might repair a great deal of the age.

In spite of the continuation of the drought the market was e hesitant today, and advances were frequently followed by sharp re- ions, the trade being fully cognizant that any change in the weather ld bring an equal reaction in sentiment; and the volume of trade is large enough to absorb many realizing sales.

In the meantime great strength in Winnipeg was also a factor, as fluctuations in that market are so largely influenced by govern- tal purchases or sales, it is not of any great importance except timentally. A more true guide of world's conditions would be Liver- l, which, while somewhat stronger, is following our advances only uctantly; and at the close today the difference between our July theirs is about 14 1/4¢ per bushel, in their favor, foreign mar- s still being lower than ours. Argentine and Rotterdam wheat can be bought at almost ridiculously low prices, somewhere around per bushel. At the close our wheat futures showed a decline of per bushel.

The discussion of silver legislation had less effect than one ld have supposed. It is impossible to arrive at any conclusion il details of the proposed bill are known. On the face of it, some y inflationary measures are likely to be embodied in the new law, if it is not mandatory and be optional with the President whether wants to avail himself of all the provisions, it will only cause e uncertainties and remain ineffective for the time being. We all w that the President had the power to devalue the dollar more than did; however, he did not take advantage to the fullest extent, but y partially; and so it may be with silver.

Corn acted weak during the whole session, even when wheat was y strong. It seems that speculation just now is all confined to first-mentioned cereal, and volume of trade in same yesterday was ut four times as much as in corn. Nevertheless, the statistical ition is improving right along. Primary receipts today were ,000 bushels compared with 1,358,000 last year, shipments were 42,000 bushels against 422,000 in 1933; so in one day receipts being 72,000 bushels smaller and shipments 720,000 bushels heavier. We k for continued decreases in the visible supply, and finally the ge terminal stocks which have been pressing on the market will inish on a very large scale.

Rye and oats were lower, buyers lagging as new buying is center- in wheat, where fears and hopes about the weather are being inflamed.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

May 10th, 1934.

The continuation of abnormal weather, which has existed now for a prolonged length of time over most parts of the country, brought about a climax today, when wheat advanced during the session the full limit permitted in one day, 5¢ per bushel. This happened in spite of the fact that the trade, as a general rule, is very light, and operators are usually very careful in making new commitments on the eve of a government report. One will come out after the close today, and necessarily is always a very important document. Traders may have their own opinions about the outlook of the crops, but the government has better facilities than anybody else to arrive at the truth; and therefore, its conclusions are generally accepted more nearly correct than others. The further fact that the stock market was extremely weak, would ordinarily be a big deterrent in making new ventures in commodities, but this also was entirely ignored. The conclusion is that the trade is very much impressed with the damage which may have been caused so far through the drought; or at least with hopes that a continuation may still further enhance values.

With the uncertainties existing nobody can be wise enough to be too positive as to the outcome. However, a few facts are quite clear, and should not be overlooked. There is no sign of a famine, or anything approaching it. There are large territories in the southwest which are still very promising; in fact the outlook in the whole winter wheat belt is quite reasonable, and a fair average crop is in sight. This, of course, on the assumption that it will rain some time, and that we may have normal weather after a while. As far as the spring wheat crop is concerned, we may just as well make up our minds that it will be a short one. A total yield of 650,000,000 bushels would be a very small estimate at the present time, and even this would be more than our home requirements, and would still leave us with a carryover of about 250,000,000 bushels, which would be too much unless some would be exported. There, the foreign markets would come into play. Liverpool so far seems entirely indifferent of what is going on here, showing as great an independence in obtaining supplies as we have ever seen. Their market, in fact, was lower today, and the difference between their July future and ours is 20-cents per bushel, they being beneath us, whereas they should easily be from 5 to 10¢ above us. Winnipeg market, which is also influenced by drought conditions in Canada, although not as badly as ours, does not show equal strength, they too remaining considerably below us.

After a moderate recession the market advanced again and closed at the permissible limit for the day-- a net advance of 5¢ per bushel. No attention was paid to statistics, although they are quite impressive also. Primary receipts were only 414,000 bushels compared with 1,074,000 bushels a year ago. Stocks of wheat at Kansas City, Duluth a nd Minneapolis so far this week show a net decrease of 1,347,000 bushels, thus indicating a large decrease in the visible supply.

Corn, oats and rye all were much higher in sympathy with wheat.

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MINNEAPOLIS CHAMBER OF COMMERCE
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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 11th, 1934.

The government report which came out yesterday after the close
a decidedly bullish document because it gave the estimate on the
ter wheat production at about 461,000,600 bushels, which was con-
erably less than what the private experts had led us to believe
t it would be, and also about 30,000,000 bushels less than the
ernment's April estimate. A winter crop of only 110,000,000
shels more than the disastrous one of last season is certainly not
y encouraging, particularly where the spring wheat crop prospects
also unfavorable. Some of them even assume that possibly the
ndition has gone further back during the first ten days of May, but
believe that some of the bigger states like Kansas, Oklahoma and
xas had fair rains and at least in those the outlook should not be
y worse than it was on the first of May.

In recent years, although we cannot state exactly when, the
ricultural Department changed its reporting system of estimating the
ops. Allowances are made for a reasonable amount of deterioration
ich is likely to take place; and consequently the final crop usually
rns out better or worse, according to whether the deterioration is
eater or less than average. In checking up the May estimates for
e last four years and the final crop outturn, we find the result
tter at the end of each year than the estimate which was made in
y.

YEAR	MAY ESTIMATE	FINAL YIELD
1930	525,000,000 bus.	600,000,000 bus.
1931	653,000,000 "	817,000,000 "
1932	441,000,000 "	475,000,000 "
1933	337,000,000 "	351,000,000 "

It is difficult to analyze the report on the different states
curately until we shall get the detailed reports of the acreage; but
looks to us that in the larger areas of Kansas, Oklahoma and Texas,
e estimate is only for about 10 bushels per acre, which certainly
uld easily be raised with any kind of normal weather. It also
ould not be overlooked that while the present acreage, according to
e government report is about 34,700,000 acres, or 6,300,000 more
an last year, the estimate a year ago was only for 27,000,000 acres,
d had to be raised afterwards 1,400,000 acres; so the increased
reage this year in any case should protect us from extremely low
elds.

The important factor for the time being will remain the north-
st, and the weather overnight continued to be dry, but cooler
ather is in sight now with indications of precipitation. Whether
is latter will be heavy or light it is impossible to predict; but
asmuch as there are also light showers predicted for the three
ovinces in Canada, it looks to us as if we might enter into a more
owery condition. Anyhow it appears to be entirely too early to
come unduly alarmed, and while some in the trade here think about
famine condition, the opposite fears exist in London. A conference
taking place there with twenty-one nations represented, and all the
g exporting countries including our own are worried about their sur-
uses and what to do with them when the new crop comes on the market.
en the United States is anxious for the largest quota possible for
port, and also for the establishment of a minimum price, evidently
ing afraid that without concerted action prices for the farmer might
unremunerative.

There were again no clearances of wheat, and of course we are
pelessly out of line for export. Primary receipts continue to be

(over)

light, 376,000 bushels compared with 780,000 bushels last year; bu nevertheless, stocks at Kansas City decreased during four days, 1,120,000 bushels. It is just possible that some of this wheat mi come to terminal markets, also Chicago might be favored with some. This possibly accounts for the narrowing of May and July wheat. T early advance of over 2-cents a bushel was all lost and the close showed a decline of 1 1/4¢ per bushel compared with yesterday.

At times the great weakness in Canadian futures also had a depressing effect here. At the close they showed a decline of 2 l per bushel compared with yesterday, probably influenced by report from abroad that the drought in Roumania had been broken and antic pating a decline in Liverpool futures, although Liverpool only advanced about 1¢ per bushel overnight while we had a rise yesterday of 5-cents per bushel.

All other cereals showed extreme weakness-- barley, rye, oa and corn, and closed considerably lower. The weakness in corn is particularly surprising when it is considered that primary receipt today were only 277,000 bushels against 1,276,000 a year ago, or practically 1,000,000 bushels loss, while shipments exceeded those of 1933 by 173,000 bushels. We look for a very sharp decline in t visible supply on Monday. Some day we believe the statistical pos tion will be so much improved that we may look for reactions from present modest levels.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

May 12, 1934

Should any one have attempted today to talk wheat statistics to any grain trader, he would have been considered a great bore. Many features which usually influence prices passed without notice, such as the weak stock market and some let-up in business. Cables are regarded as a sheer matter of habit, and the only items that elicit any interest are the weather of the past 24 hours and the prediction and outlook for the week-end as well as the government long-time forecast for next week.

Since yesterday there have been hardly any rains in the wheat belt, although the corn area in Iowa has had a moderate amount. The northwest, however, remains dry. Prospects over Sunday are somewhat more favorable, with probability of scattered showers in many states, although North Dakota will possibly be neglected. The weekly outlook also is rather conflicting. Some moisture is probable but nothing as yet in sight to indicate any heavy rains such as would give permanent relief.

Nevertheless, the market, after showing strength at various periods during the session, finally closed about 1 1/2 cent lower. This can be easily explained as we had an advance of considerably over 10 cents per bushel in one week, which in itself discounts a great deal of damage, and there is some hesitancy about following any further advances as long as the rest of the world does not follow us.

Ordinarily, the failure of the London conference to reach an agreement up to the present and small likelihood of any early accomplishment in that direction, would have been most disturbing; but as it comes at this time of drought scare it is practically ignored. We still feel, however, that it is our duty to look ahead a little, especially in the light of past experience and the further fact that with the large carry-over even a very moderate crop would not bring about extremely high prices. The wheat on the Pacific coast fob Portland is still selling about 6 to 10 cents under ours, and even so wheat can be exported only at a loss of about 22 cents a bushel, and it is not going very fast.

Primary receipts were somewhat heavier today, 764,000 bushels; but this included receipts of 367,000 bushels at Duluth which probably came from some other terminal market. Stocks at Kansas City, Duluth, and Minneapolis show a decrease of 1,743,000 bushels which indicates a very large decrease in the visible supply on Monday; but we had a good decrease in 1933 same week, almost 5,000,000 bushels.

Considering the weakness in wheat, oats, and rye, corn held extraordinarily strong and declined only a trifle. We think the trade is beginning to appreciate the improved statistical position. Last year on the corresponding Monday the visible supply increased 2,141,000 bushels, and this year we expect a very large decrease, running perhaps into the millions of bushels; so that the stocks at terminals will not make as poor a showing as they have done right along. It is also to be taken into consideration that according to the government the hay crop will be about the smallest since 1866 and with the further knowledge that the corn acreage will be considerably reduced and that we shall probably have our usual crop scares, we think this cereal might do much better.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.

May 14, 1934.

Although weather conditions are still the paramount influence on wheat values, other elements are creeping in which cannot be ignored, chief among them being the business recession and the stock market decline. It is immaterial whether the latter is due to sentiment or to fear of the stock exchange bill, or to a more pessimistic feeling concerning business profits, etc. The fact remains that when capital values shrink many billions of dollars within a month, the purchasing power of great numbers of people is correspondingly reduced and economies become necessary. This means lowered consumption of all goods and affects even such commodities as wheat and flour, notwithstanding that they are commonly considered absolute essentials. More attention was given today to declining Wall-street prices than in some time past, in consequence of which reactions from the low points held but moderately.

The weather map has been rather mixed, encouraging to some and discouraging to others, according to viewpoint. There were extraordinarily good rains in the southwest, much better than had been expected, and we believe Kansas, Oklahoma, and Missouri were greatly benefited. These are important territories. The northwest, on the other hand, was as dry as a bone, there being no precipitation at all in the three spring wheat states nor in Canada; so the Canadian market continued very strong all during the day. The eastern belt is still suffering from drought, and the general outlook for tomorrow is for dry conditions.

We are likely to be confronted with weather markets for six weeks more, when we shall have to face the reality of moving the new crop. We, ourselves, are rather optimistic about the outcome of the great wheat belt of the southwest. With normal receipts by the end of June or July, unless an export demand sets in, we shall probably have to contend with increased stocks and additions to our visible supply. The one encouraging feature in this direction was the great strength in Winnipeg today, that market closing 1 5/8¢ per bushel higher than Saturday, despite our decline, clearly indicating that there is a justifiable worry about the outcome of that crop, as the drought still continues. Liverpool on the contrary closed about 1¢ lower, but the picture there may change tomorrow when they have to pay so much higher prices for Canadian wheat. At the close our market showed a decline of 3/4¢ per bushel.

Primary receipts were light, only 642,000 bushels versus 1,093,000 a year ago; and the visible supply showed a decrease of 2,749,000 bushels against 2,999,000 in 1933; the total is now about 3,000,000 bushels less. However, about 1,000,000 bushels of this decrease were shipments from Kansas City to Chicago, which will probably show up next week in stocks here.

Corn acted very weak all during the session, in spite of the fact that receipts continue to be light and that the statistical position is improving right along. The visible supply showed a decrease of 2,038,000 bushels compared with an increase of 2,141,000 last year; and the total now is 50,000,000 bushels against 32,664,000 in 1933. The corn visible supply has decreased more than 16,000,000 bushels in less than three months, from February 24th, from a high of over 66,000,000 bushels; last year during the same period it kept about even.

Oats were neglected and lower, but rye showed moderate independent strength.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 15, 1934.

Liverpool futures advanced today about 7/8¢ per bushel, making a moderate response to the great strength at Winnipeg yesterday. he extraordinarily low price of wheat in England, 68 3/4¢ per bushel for their July future, or about 18¢ per bushel less than ours at he present exchange, has been a riddle for some time. The price in ormer gold values would be only about 43¢ per bushel. A letter which we received today from Rotterdam, dated May 4th, gives some explanation for this depressed value. Our correspondent writes that offers from Argentina and shipments from that country then were so plentiful that stocks in England were so enormous that for a time it was impossible to find storage space in Liverpool. Several cargoes had to pay demurrage charges, could not be unloaded, and finally a number of steamers originally destined for England had to be diverted to the continent.

Inasmuch as our government is still negotiating at the wheat conference, to increase our export quota, it is very evident that those in control here have the same opinion as we have: that is, the foreign situation must not be ignored unless our crops should so deteriorate hat we would be on a strictly domestic basis, with only a normal carryover of, say, about 125,000,000 bushels. This would mean that our total winter and spring wheat crops should not exceed 500,000,000 bushels; as this quantity plus 250,000,000 bushels carryover would give us 750,000,000 bushels, or a year's home consumption, with 125,000,000 bushels left, which would be about the average in normal years. herefore, at the present time, particularly as the rains in the southwest have done so much good, we would have almost the whole spring wheat crop yield to spare, whatever that may be, and we fully appreciate that at this time it remains a very uncertain quantity.

While we point out the above as a conservative view, we fully realize that for the day-to-day operator it has less meaning now than he weather in the northwest. His nerves are affected, and daily he watches the weather map and finds no precipitation in the four important states in the spring wheat territory; he again waits for a new prediction and again discovers that there is no rain in sight. Consequently, it was no surprise today, with dryness prevailing in such sections as we mentioned, that new buying came on the market, bringing about further advances, with the close showing 1 3/8¢ per bushel higher than yesterday. Were it not for the fact that trading is so extremely small, it is quite possible that the drought in he American spring wheat territory, as well as in Canada, would have caused still further advances.

With a total visible supply of almost 80,000,000 bushels, and a total open interest of only 89,000,000 bushels, it is quite plain hat the wheat market is very much neglected compared to other years when similar conditions existed.

Bradstreet's clearances of both wheat and flour for the week were less than 4,000,000 bushels, or 500,000 bushels more than a year ago, but yet very light; and the total up to date since July 1st shows 55,000,000 bushels less wheat cleared from North America than in the previous season. This accounts for the fact that Canada has within 41,000,000 bushels as much wheat as it had at the same time last season, although last year it raised one of the shortest crops in ten years; therefore, probably starting with a supply of almost 175,000,000 bushels on August 1st when its new crop commences to move. Considering that Canada consumes only about 120,000,000 bushels of wheat, including feed and seed, it shows there are almost 1 1/2 year's supply on hand for home consumption, and every bushel of its new crop will be available for export.

Primary receipts of wheat were 655,000 bushels compared with 57,000 a year ago. Stocks at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 291,000 bushels.

Inasmuch as the outlook is for continued dry weather in the northwest, the market is likely to advance further until this drought is relieved.

Corn was higher in sympathy with wheat, but the small primary receipts also had some effect, being 173,000 bus. vs. 708,000 in 1933. Were it not for the fear (which we do not share) that some day the government might throw on the market the 270,000,000 bus. corn on which it loaned money, we think prices would be much higher. However, if we are correct, these advances will come later.

Oats and rye were also strong and higher.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.

May 16, 1934

The weather map continued to be highly unsatisfactory again today. There was no moisture reported in either the northwest nor southwest. While probably there is no great anxiety at the present time regarding the winter wheat belt (with particular reference to Kansas, Oklahoma, Texas and Missouri) the situation in the spring wheat states is getting more serious as time advances without giving the farmer a chance to plant as large an acreage as intended. Also, the seeded grain so far has had no chance of making proper progress because of lack of subsoil moisture, the fields generally being as dry as they can be.

The weather prediction is also not very encouraging. There are possibilities of scattered showers in isolated parts; but these would not relieve the situation unless they should develop into a more heavy downpour than may be anticipated at the present time. Nevertheless, during the early part of the session, with all these facts known, wheat lost over one cent a bushel. This decline must be attributed to the fact that at the present time there is no large speculative element inclined to make heavy investments in wheat. However, it is thoroughly appreciated that if the drought continues conditions may develop which might make wheat the favorite speculative attraction. Finally the consumer may even be brought in on a larger scale should he become scared and fear that he missed his opportunities.

The Northwestern Miller reports that hard winter wheat mills averaged only 34 per cent capacity in new bookings compared with 105 per cent in the corresponding week last year. The spring wheat mills show an average of 49 per cent versus 100 per cent a year ago. This shows how much the psychology of individuals has to do with the making of markets. Nobody assumes that there is very much change in consumption of wheat this year compared with last year. In 1933 inflation talk started; stock markets were rising, and commodities were accumulated all the way from the original processor to the final consumer.

The first stimulation after the early break came from a very pessimistic report by one of our crop experts who is traveling in the spring wheat territory; and it was then found that offerings are very light. When the upturn once started there was no resistance and the close showed an advance of about 2 1/2 cents a bushel compared with yesterday. There was no encouragement from Europe, Liverpool actually closing 1/4 to 1/2 cent lower. Further developments of the market will depend almost entirely upon the weather; and all barometric changes will be closely watched.

The corn market was independently strong all during the session, even when wheat was weak, and closed about 1 cent a bushel higher. Receipts continue to be very light, only 21 cars; and primary receipts were 179,000 bushels compared with 795,000 bushels last year.

Oats, rye and barley closed higher.

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DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 17, 1934.

We hope that Secretary Wallace's prediction that in the not bo distant future our annual wheat exports will again be 125 to 50,000,000 bushels, will be realized. We agree that this can come bout only if the importing nations, through tariff agreements, are illing to reduce their acreages; because otherwise the competition nong export countries for the reduced requirements of the importing ations will be so severe that it will be almost impossible for the nited States To receive a large share of this business.

To illustrate the changes which have taken place, we assume nat Broomhall's estimate of 528,000,000 bushels requirements of all nporting nations for the season of August 1, 1933, to August 1st, 934, will probably be pretty accurate. The total importations for ine and a half months up to May 14th were 414,000,000 bushels, and f the same weekly rate continues for the remaining eleven weeks it ould total about 525,000,000 bushels or so. This would make the oorest showing since the war, in spite of increased population; but e give below the figures only for importations of the last eleven ears:

	Bushels		Bushels
1932-33	614,992,000	1926-27	814,448,000
1931-32	769,904,000	1925-26	667,552,000
1930-31	786,544,000	1924-25	715,240,000
1929-30	612,872,000	1923-24	773,304,000
1928-29	928,120,000	1922-23	675,184,000
1927-28	792,808,000		

The important point is that these decreases in requirements ome not only from Europe but also from ex-European countries; and ince August 1st there have been shipped 50,000,000 bushels less wheat o Europe and 40,000,000 bushels less to ex-Europe. This in spite f the fact that the United Kingdom continues to take its normal quota nd so far this year up to April 28th they imported 155,000,000 bushels f wheat, exactly the same quantity as last year; although they ctually increased their flour imports taking the equivalent of bout 19,000,000 bushels of wheat compared to 13,500,000 bushels ast year.

In other words, taking wheat and flour together, the United ingdom took about 40 per cent of all the wheat shipped by the exorting countries.

The European crop prospects have improved lately, and while o bumper crops are promised such as were had last season, neither s there anything in sight to indicate that the coming season's reuirements will be very heavy. It is quite apparent, therefore, that egardless of what might happen a few years from now we must be preared to remain on a domestic basis for the season of 1934-5 unless he government again subsidizes wheat. As we are getting further out f line all the time, it will require more and more government exenditure to accomplish this.

Just now, however, statistics and ultimate results count for ittle. Everybody watches the weather, and it continues unfavorable. t was dry practically everywhere overnight except in Alberta, and he prediction does not indicate much moisture. There might be some cattered showers in Minnesota, but the outlook is not for much preipitation anywhere. Reports from the southwest are getting better n general. Ohio also is doing very well, and what the spring wheat rop finally will do in the northwest is anybody's guess. Great hanges might take place with beneficial moisture.

During the early part of the session there was very little ttention paid to the proposed silver bill, probably because Wall St. ractically ignored it. However, we consider it very inflationary; nd it might become extremely so, depending upon how the act will inally be worded and to what extent it might be used. A total change f sentiment regarding this silver question took place about the iddle of the session, and when stocks advanced wheat sympathised immediately and at one time advanced very sharply, with the close being -cent per bushel higher.

Stocks at terminal markets continue to diminish, particularly t Kansas City, where so far this week there is a decrease of 824,000 ushels, a large part of which undoubtedly is being shipped to hicago.

(over)

DAILY MARKET LETTER

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(over)

The discouraging factor today was the great weakness at W
peg, their futures actually closing lower, in spite of the streng
here. As Liverpool is so much more interested in Canadian price
than in Chicago's, the chances are that cables will not come any
higher.

Corn acted very strong during most of the session, and th
continued small receipts are attracting attention; total primari
were 191,000 bushels against 694,000 bushels a year ago. This po
to another decrease in the visible supply next Monday. The fact
we had a short crop last year, that lots of corn is sealed by the
government, that stocks are decreasing heavily and that the corn
acreage will be much reduced, we look for improvement in prices l
on.

Oats and rye were practically unchanged.

UHLMANN GRAIN CO.

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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 18th, 1934.

The wheat market was practically dominated early by the pre-
sht and prospective weather conditions, although at times the great
rength in corn was an assisting factor, which cereal became the
al leader.

There were no rains reported anywhere where wanted, with the
eption of the one Canadian province, Alberta, where they had heavy
in; amounting to almost one inch within twenty-four hours. The
ather prediction is also not very encouraging, with the same pos-
sibility of precipitation as was forecast yesterday for North Dakota
d Minnesota; but the probability is against any heavy downpour
ich might relieve the situation. Nevertheless, the market at times
owed considerable weakness, and it must be attributed to the fact
at we had an advance now from the low point of 14 to 15¢ a bushel,
ich discounts a great deal; and furthermore, that neither Europe
r any of the other exporting countries have followed us.

The Modern Miller reports general improvement in prospects in
lahoma, Kansas, Illinois, Indiana and Ohio; but Nebraska has gone
ckward, suffering severe losses, and it is doubtful whether that
ate can reach the yields of last season of 25,000,000 bushels,
ich was considered a very small crop.

In analyzing the government report by states, Texas shows up
rticularly well, the estimate being almost double of last year; and
f the 25,000,000 bushels now estimated should be realized, it will
come important, as the movement there is the earliest of any winter
hat state in the Union. The outlook also is extremely favorable in
shington and Oregon, these two states being given the possible
eld of 41,000,000 bushels compared with only 17,000,000 bushels last
ar. The consumption in the Northern Pacific states being so small,
f their crop would be realized, it will again be dependent on ex-
rt business, and may require government subsidies to get rid of
eir surplus. Otherwise, we may have a repetition of what happened
s year, and have the farmers in the far western states compete
th those in the east, as many times our prices have been held down,
llers being able to draw their supplies from there.

Primary receipts today were actually larger than last year,
ng 659,000 bushels compared with 638,000 the previous season. We
nk there are some indications of a little bigger movement from
t part of the southwest where crop prospects have improved.
sas City shows a large decrease so far this week-- 982,000 bus.
r four days; but some of the wheat will probably reappear in
cago, and we doubt whether the visible supply will show a heavy
rease next Monday.

In estimating what the future will do, outside of the size of
crops in this country, we do not want to forget that neither im-
ting nor other exporting nations have paid much attention to our
e advances, and therefore we still have a price level entirely our
. On the other hand, we must remember the possibility of inflation
er on, although at the present time it is far removed. It is
erally estimated that our government's deficit this year will
proximate $4 billions; and from the many appropriations already made
bably this amount will be duplicated next year. We can stand this
y well, particularly with the artificial profit made by the govern-
t of close to $3 billions in the devaluation of gold. However,
after July 1st, 1935, expenditures should continue to very largely
eed our income, a more dangerous point would be reached. It there-
e will become necessary for the next congress, which convenes in
uary, to start with the contemplation of an entirely different
get from the one we now have. Then the question will arise whether
the meantime business has picked up enough so we can stand on our
feet.

At the close the market showed a decline of 2¢ per bushel. Tak-
all the pros and cons we feel that the wheat market so far has
ly discounted all the damage done up to the present time; but
ther from now on there will be sufficient damage to catch up, re-
ns to be seen, all depending upon weather conditions, which cannot
predicted.

We have repeatedly pointed out the sharp improvement in the
tistical position of corn. Again primary receipts were only 292,000
hels versus 623,000 bushels in 1933. This cereal showed independent
ength today. There is one thing very curious about corn more than
other article-- if it once starts in one direction it is hard to
p it; whether this is the real beginning of an upward movement
e will tell.

Oats and rye closed considerably lower in sympathy with wheat.

DAILY MARKET LETTER

MEMBERS:
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WINNIPEG GRAIN EXCHANGE
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FORT WORTH GRAIN AND COTTON EX.

May 19, 1934

The Liverpool market was closed today owing to holidays abroad, and therefore there was no guidance from that quarter. However, our market has lately shown its independence due to the great drought which has been with us during most of the spring period.

When one reads the various resumes of weather, the first impression conveys the idea that the entire country has been dry. Technically, this is not correct, as many of our winter wheat states have fared much better than one is led to believe. The northwest, however, is the main consideration at the moment and needs rain very badly inasmuch as subsoil moisture is almost entirely lacking and precipitation is needed in the northwest. The only place reporting really beneficial rain was Devils Lake, where nearly half an inch was recorded. There is a possibility that some showers will fall in North Dakota and Minnesota, although elsewhere not much is in sight. The weekly forecast also indicates little possibility of a general breakup, and this was responsible, in spite of a rather light trade, for furnishing a rather bullish feeling during most of the session.

Primary receipts of wheat were 550,000 bushels today compared with slightly over 1,000,000 bushels last year. No wheat was cleared today or a year ago. Stocks at Kansas City, Duluth, and Minneapolis show a total decrease of 1,614,000 bushels. The largest part of this is in Kansas City and we believe that wheat is being shipped to this market, so that a part of it at least will show up at a later date.

Corn, which has been statistically strong also, was helped by the strength of wheat. The fact that the weather is dry over the corn belt also inspired buying, although this cereal could not keep pace with the advance in wheat. Receipts are very light. Primary movement was only 281,000 bushels today compared with 858,000 last year, which shows a strong position.

UHLMANN GRAIN CO.

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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 21st, 1934.

The turnover on the New York Stock Exchange today was probably the lightest for a Monday in many years. This is insofar significant as it shows that positive opinions are at a discount at the present time. This is quite natural in view of the uncertainties prevailing in the political and economic fields in anticipation of a new message by the President on silver and possibly other matters, which will be delivered to the congress sometime tomorrow. The general opinion seems to be that probably the silver legislation for the short time left at this session of congress, will not be very drastic; but who can tell what will follow if a start is once made in tinkering with our currency. It is difficult in that case to predict what the secondary consequence would be. It is only a short time since we went off the gold basis, and the Treasury's officials are amazed at the flood of scrap gold already presented at the Assay's office. So far $43 millions has been sold to the government; and there might be $1 or $2 billions, which, under certain circumstances, could be added to our gold supply. Should a law be passed that 25% of all reserves must be kept in silver, every additional dollar in gold would require one-fourth the amount in additional purchases.

Therefore, with the many other propositions which are coming up we have not changed our mind that inflation danger in one way or another is in existence, and must be considered when estimates are made as to the value of commodities, although the final effect may not be felt for a year or two.

With the lack of speculation in New York one could hardly expect a heavy trading in Chicago in spite of the drought. A strange incident happened this morning: A very heavy rain was reported for South Dakota, but afterwards it was discovered that the Weather Bureau had made a mistake, and the drought in that state continues. For a while this had a very depressing effect on the market, and probably very much modified the feeling of higher prices, because those who live around here and experienced the extraordinary weather yesterday were full of fears that more damage might have been done. In the meantime, there was fair precipitation in Canada, and it is not unlikely that this weather might shift across the border; at least showers are quite possible for North Dakota and Minnesota. The speculator also has not forgotten that in many years wonderful changes have often taken place after this period when weather conditions changed. Incidentally, talking about the mistake in the weather report of South Dakota, it shows how easily we forget; and when we hear of the poor outlook in that state, we want to remind the trade that last year it raised only [illegible],000,000 bushels compared with 49,000,000 bushels in 1932; [illegible]5,000,000 bushels in 1931; 43,000,000 bus. in 1930; and 33,000,000 bus. in 1929. So it is most likely, no matter how poor the crops look some of the spring wheat states may raise more than last season.

The visible supply showed only a small decrease 1,063,000 bushels vs 674,000 last year, and the total is about 38,000,000 bus. less than in 1933 for the same period.

At the close the market showed a decline of about 1/2¢ per bushel, the weaker feeling being caused by anticipation of more precipitation shortly. Whether or not this is realized will determine prices the next few days. Meanwhile it should never be forgotten that the rest of the world is not following us; that we have had a very sharp advance from the low point which has fully discounted a good deal of the damage already done.

The corn market followed wheat fluctuations more or less, but the statistical position is again very much improved. There was a decrease in the visible supply of 3,142,000 bushels compared with an increase last year of 1,433,000 bushels, and the total is now only 13,000,000 bushels larger than last year. For quite some time now the size of the visible supply has prevented corn from advancing in proportion to its strong statistical position, but from now on we expect that this feature will even up with last year and perhaps be smaller; and with the shorter acreage there are great possibilities in the cereal.

Oats were slightly higher owing to the continued bad reports on this cereal. Rye is more or less neglected.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MMODITY EXCHANGE INC.

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141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 22nd, 1934.

President Roosevelt's long-expected message to Congress seting forth his wishes on silver legislation was delivered today.

The main points as we see them are to the effect that silver rchases might be made here and abroad, but at a price not to exceed cents an ounce, until our reserve instead of being entirely in ld should be composed of 25 per cent silver and 75 per cent gold. e President expects some tangible results through a conference ith some of the other large nations whereby they also would use a mbination of gold and silver as a monetary base.

In the United States today our gold holdings are the largest ey have ever been, exceeding the previous high mark established May 9th. However, we are not the only country trying to accumulate is precious metal. All the larger ones, Belgium, France, Italy, e Netherlands, Russia, Switzerland, and the United Kingdom show rgely increased gold holdings on the part of the central banks as mpared with March, 1929, and it is only the less prosperous countries at show decreases. This clearly indicates that the world is still ld-minded and that but very few countries are interested in silver. e few exceptions, aside from the United States, are possibly nada and Mexico, which are very large producers; and under the cirmstances we do not think an international silver conference would ing any better results than did the armament and the wheat conrences, because the interests of the various countries differ so dely.

Such must have been the general conclusion among the financirs, as immediately upon publication of the message all Wall-st. socks, including silver securities, started to decline and grain pices were similarly affected. It had been expected by some that te message would be very inflationary, which it is not; although tis does not mean that many of the other inflationary laws already eacted will not finally have the desired effect. This, however, des not count for the moment.

The weather map was again very disappointing. Even in Ilinois the precipitation was not general, and Chicago received re moisture than any of the other seventeen reporting stations th the exception of one. There was not a drop of rain in North kota nor Nebraska, and only moderate amounts in Iowa.

A very bullish report concerning the spring wheat crops came om a responsible house in the northwest, but it had only a temrary effect, as financial news was the dominant factor. Liverol showed no strength whatever, even after having been closed three days; nor does Canada evidence any desire to follow our vances. Thus the world situation in general, aside from whater damage might be done through the drought here, remains extremely sappointing.

There was some reaction from the low point, and the close owed a decline of 1/4¢ per bushel. The wheat market shows very early that it will remain a weather proposition for some time, t breaks will be only temporary until there is a relief from the ught, and that sharp advances also will be difficult to maintain account of the large stocks which are still left from previous ps, with the impossibility of doing any export business. It l still take thirty days before we feel the effects of the st movement of the new crop; and by that time it will be possible size up the supply and demand situation better, as far as this ntry is concerned.

There was very little attention paid to statistics today, wheat receipts are somewhat on the increase; primaries today ng 548,000 bushels compared with 845,000 last year. There was ctically a standoff in stocks at terminal markets today, Kansas y, Duluth and Minneapolis. No clearances whatever were reported.

Corn showed an undertone of strength all during the session, could not help sympathising with wheat on the sharp breaks. mary receipts continue to be light, 347,000 bushels versus 722,000 ear ago. It was reported that about 300,000 bushels had been ed from Chicago to go east. We expect a continuation of the deases in supplies at visible points.

Oats and rye closed a trifle higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

May 23, 1934

The proposed silver legislation should no longer be a factor n either the stock or the grain market unless further changes ake place or until the President avails himself of some of its ermissible powers. Stocks advanced in anticipation that the ill would be very inflationary, but when this proved not to be he case the gains were lost and we are back again to the point here we started before the matter was discussed. As a matter f fact, we believe that even the silver producers will receive o new financial benefits from the suggested law, as the govern- ent price of home mined silver is 64½ cents, much higher than he contemplated price to be paid for either the domestic or the mported stocks.

The speculator will receive scarcely any benefit, because lthough the government might finally pay him 50 cents for his oldings, it is a question how long he would have to wait before e could realize this price; and meanwhile the carrying charges ould about wipe out all his profit. There might be just a ittle inflation in issuing certificates against new purchases f silver, but with the depreciation of our gold dollar silver rices are not high; and if we add 70 per cent to the quotations xisting before we went off the gold standard we find that it is ot very much higher than at that time, so that world declines re not very likely.

The disappointment of those who had hoped the bill would o so inflationary as to immediately advance commodity prices, as so great that wheat opened this morning about a half-cent nder yesterday's close, notwithstanding that there was practic- lly no rain anywhere nor much in sight, if the weather fore- asters know what they are talking about. The news in general as also more bullish, some very low estimates coming from Kansas ndicating that they will raise considerably less wheat than the ast government report contemplated. The northwest is suffering ery severely. The eastern states can stand the drought a while et but undoubtedly will suffer if it continues for long. For- unately, Texas and Oklahoma are still very promising. Additional elp was afforded the market today by strong cables from Europe, robably due to bad reports from south Russia, which are now con- irmed by Broomhall. Canada, heretofore very indifferent to any ad news, showed great strength today and closed at an advance of cent per bushel above yesterday.

Primary receipts of wheat are somewhat better, 471,000 ushels comp ared with 698,000 last year. Stocks at Kansas City, luth, and Minneapolis for the two days decreased 568,000 bush- ls, showing that the inroads on our visible supply continue. The nfluence of the weakness in Wall Street was powerless to withstand l these bullish items, with the result that our market at the lose showed an advance of 1/2-cent per bushel above yesterday.

We have never as yet had any reliable statistics on the early consumption of wheat. It is naturally a variable quantity, epending much upon the price, both as regards that used for uman consumption and for animal feeding. When other feedstuffs re the cheaper, wheat is used more sparingly. Through the col- ection of the processing tax now we may arrive much closer to e actualities than we ever did before. The AAA collected for axes on wheat ground into flour between July 1, 1933 and April 30, 934, approximately $95,000,000. If we assume that for the next wo months the collections will be in like proportion, there ould be a total collection of $114,000,000. At the rate of 30¢

over

per bushel it would mean a grinding by mills of 380,000,000 bushels. Adding to this the seed requirement of 80,000,000 bushels and the estimated 40,000,000 bushels for feed, would make a total quantity of 500,000,000 bushels, which still leave the unknown quantity of how much wheat was ground into flour which was exempt: that is, the amount exchanged for flour at mills by farmers for their family use under the privilege granted them. Undoubtedly very liberal use has been made of this provision in the law, yet we doubt whether the quantity so used could exceed 100 to 125,000,000 bushels. Therefore, we have com to the conclusion that our consumption this year could not have been more, and probably was less than 625,000,000bushels.

The corn market had small fluctuations today due to the prevalent feeling that the corn plant can still go on for a time without rain and not be appreciably hurt. However, primary receipts continue very light, 243,000 bushels compared with 1,022, last season same week. Through the advance in corn prices in cetain localities the farmerswere able to repay their loans to the administration, and so far about $300,000 of corn loans have bee thus repaid. While this represents only 700,000 bushels out of the 270,000,000 bushels of stored corn, it is a very good sign; and should the market advance further so that more of these loan could be paid, we should certainly have to consider that this measure of the administration had been a success.

Oats and rye showed only unimportant changes.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 24th, 1934.

The Stock Exchange Bill has now advanced to a point where mem- ers know pretty well where they stand, so this question is no longer particular market factor. As expected, the trade has shrunk to nusually small proportions compared with the former turnover, and omething new will have to happen to give the business an impetus ither way. Now corporation earnings and cheap money are in the fore- ound, as people will not long permit their money to remain idle if here are profitable investments to be made. This is of considerable mportance to the grain speculator, because formerly stock profits ere often transferred to ventures in the commodity market. There- ore, at the moment the inactivity in Wall Street has a sympathetic eaction upon grain speculation, which remains at a very low ebb.

There has been sufficient advertisement of the drought prevail- ng in many sections of our country which ordinarily would have in- lamed the public to heavy commitments, but now there are so many ew and unusual elements in the air that there is little enthusiasm or grain trading. Under the circumstances fluctuations are very arrow, and our price level of wheat is practically the same as it was n May 11th, although meanwhile crops in both the northwest and the outhwest have gone back.

The weather news overnight was again rather mixed; there was ot a drop of rain in any of the four spring wheat states, the Dakotas, innesota and Montana, and it is probably needed there more than any ther place. There was some offset, however, in the unexpected oderate showers, or rains, in part of Kansas, Oklahoma, Nebraska, owa and Illinois; and these are probably doing some good, but more nd greater relief is necessary to obtain the best result.

The Winnipeg market was closed today, and as orders from there re usually quite considerable, many spreading transactions taking lace between the two markets, it was another contributing factor to he dullness.

Primary receipts of wheat today were fair, at 443,000 bushels ompared with 690,000 last year. Stocks at Kansas City, Duluth and inneapolis so far this week show a net decrease of 492,000 bushels, aking it quite sure that the decrease in the visible supply will ontinue until the new crop commences to move in earnest. At the lose the wheat market was practically unchanged. It remains very ifficult at the present time to give intelligent advice regarding uture values, as so much depends upon the weather, which cannot be uessed. However, unless the crop deteriorates much more, we feel hat when the movement once starts the present level will be too igh, as it will be difficult to absorb the hedges as long as specula- ive buyers are so reluctant in making new commitments.

The real leader today was corn, which advanced about 1 1/2¢ per ushel. Purchases were largely confined to one concern, and estimates f their accumulations run as high as 4,000,000 bushels. Perhaps we re not wrong in assuming that these purchases were made for some overnment agencies with the object in view that this corn later on ight be exchanged for cash corn to be distributed to drought suffer- rs and feeders in areas where crops have suffered very severely. owever, as we have repeatedly pointed out, the statistical situation f corn has improved very much lately. The visible supply was 7,000,000 bushels on Feb. 24th, which was 34,000,000 bushels larger han same period last year, when it amounted to about 33,000,000 ushels. The visible supply at the present time has been reduced to bout 47,000,000 bushels versus 34,000,000 bushels at the same time n 1933; therefore, the excess has been reduced to 13,000,000 bus. e do not think it will take very long before our visible supply will e smaller than a year ago, because farm reserves have been so great- y reduced, and receipts will continue to be very light.

Oats and rye closed higher in sympathy with corn.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 25th, 1934.

There was no change whatsoever in the political or financial ields during the last twenty-four hours. The grain markets for the irst time in a long period were entirely without their influence, nd new commitments were based wholly upon news which would affect he various cereals. Of course, the continued drought stands out rominently, particularly in the four northwestern spring wheat tates. Today for the first time the Winnipeg market took cognizance f the deterioration which is taking place in the three western provinces of Canada; and their futures advanced even more than ours. nada up to April 1st was in a very favorable position as far as sub-soil moisture was concerned; but since that time it has been greatly deficient. Manitoba's precipitation since then up to May 23 was only 1.23 inches compared with 2.44 last year, and 3.2 for the ten-year average; Saskatchewan, .94 inch versus 2.46 a year ago, and 26 for the ten-year average; Alberta, 1.09 inches against 2.94 in 133, and 3.0 for the ten-year average. So it is clearly shown that uring the last seven weeks moisture there has been even lighter than last year, when only a very poor crop was harvested. Our northwest was again without a drop of rain; and we all know that it is impossible to raise crops without moisture. The prediction also holds ut no hope for any for the next 24 hours. Sometimes the weather changes, and should it do so, the whole outlook would be different. owever, once in a while we have drought periods which are not relieved for a long time. Therefore, in the spring wheat states the worst is anticipated by some.

As far as the winter wheat is concerned, the crops are advanced enough so that we may assume neither a bumper crop nor an bsolute failure; and the prospects are still for average yields, and ay come up to last month's government figures. This would give us neither a famine nor an extreme abundance, considering the big carryover; our export business would possibly be next to nothing, and a reasonably high level of prices would be justified.

Today's action and volume of trading shows very clearly that no matter what obstacles are put in the way of speculation, when traders and the public once become convinced that a commodity ight be under-valued, they overcome all difficulties and go ahead and try to profit from their judgment. With this in view, we believe that for the present the least resistance will continue to be on the p side until the drought is relieved, or until we are assured that op results will not be utterly hopeless in the spring wheat states.

There were hardly any reactions when the upward movement started today right after the opening, and the close was 2 3/4¢ per bushel higher than yesterday.

Primary receipts of wheat were reasonably fair, 479,000 bus. mpared with 782,000 last year. Stocks at Kansas City, Duluth and Minneapolis so far this week show a moderate decrease-- 391,000 bus.

Corn which was the leader yesterday resumed its secondary osition today, and there was none of the heavy buying which boosted rices then. At the advance there were indications of a heavier vement from the country. Primary receipts were 449,000 bushels gainst 770,000 a year ago, no longer showing the extreme difference as heretofore.

The Emergency Relief is recognizing the great harm which is ing done through the drought, and as a starter have designated a mber of counties in the northwest, which need relief. There will lso be a modification of contract-planting restrictions in these reas. Consequently, the total reduction of acreage utilized for ed will not be as large as earlier expected. This is a good move, as the needy farmer will have to be helped first, and at least be ven a chance to raise what he can for his immediate requirements. f course, it is less bullish on feedstuffs, as we may not now ticipate such a largely curtailed acreage as was indicated some me ago.

Oats and rye also showed good advances in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 26th, 1934.

Because the weather is of paramount importance now to the evelopment of the wheat plant, it is being watched to the exclusion of lmost everything else. When a cloud appears anywhere in the wheat elt, the news is telegraphed here at once, and every morning after e opening large numbers of traders are awaiting the weather map nd from it draw their conclusions as to the probable trend of the ay's market. A little later the government issues its outlook for e next 24 hours, and on Saturday for the entire ensuing week.

The indications for the whole territory over Sunday are for ontinued dryness and warmer temperatures generally. There is greater ope for relief during next week in the Mississippi and Missouri lleys and northwest where fairly general showers early in the week nd more later on are probable.

Inasmuch as the spring wheat territory will be in bad shape nless some good soaking rains visit it before long, we believe that if hen we come down Monday morning and see zero marks in the precipitation column the markets are likely to go still higher, although the resent advance may have discounted all the damage that has been done o far and even a little more. Of course, nobody can tell how erious the situation may finally prove.

The winter wheat territory has still some very good prospects in several states, particularly Oklahoma and Texas, and the heat from those places will move first. If our information is correct, the outlook is for a particularly early crop, so we may begin o hear about hedging sales in a little more than two weeks. When hat happens there will be a more evenly balanced market, as at present the movement is not large enough to give the elevators a chance o increase their stocks. On the contrary, the visible supply continues to decrease, which means a reduction of hedges and tightening the market. So far this week stocks at Kansas City, Duluth and nneapolis show a decrease of 644,000 bushels, thus indicating a rther moderate decrease in the visible supply. Primary receipts ntinue light, only 422,000 bushels vs 907,000 last year, or less an half, while shipments actually exceeded those of the same week 1933, 778,000 bushels compared with 716,000.

England continues to follow our advance and that at Winnipeg ly very reluctantly, and showed a poor response to the rise of 3/4¢ a bushel yesterday, closing only about 5/8-cent above the evious day. Canada, as we pointed out yesterday, continues also to ffer from lack of moisture, although in at least one of the provinces, Alberta, showers are predicted.

The situation from abroad is not very encouraging from the ewpoint of demand. Crops generally are fair everywhere, the carryover is larger than last year, and the spring wheat acreage in Russia supposed to have increased considerably. Therefore, we must gure on Russia as again entering the export column.

At the close the wheat market was about unchanged from yesterday.

Corn acts overbought, and the recent advances have probably iscounted the more bullish statistical figures. There will probably continued decreases in the visible supply; but on the other hand, cretary of Agriculture Wallace has ruled that farmers with abandone wheat land, or those with free acres in the drought districts, can t all this land into corn for forage or silage to be fed on the rm. We, therefore, look for a much larger acreage in corn than we d expected earlier.

Rye closed a little lower in sympathy with corn, and oats owed some slight improvement.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 28th, 1934.

With practically not a drop of rain anywhere in the wheat belt f the United States, nor in Canada, at a time when moisture is so adly needed everywhere, it was a foregone conclusion that markets ould be strong and higher. The forecast also holds out no hope for ny important precipitation. There might be some scattered showers t various isolated places. Should tomorrow's weather map show any eavy rains where needed, it would be a great surprise. These weather conditions naturally overshadow everything else, and usually un their course, like a fever, until either relief comes from heavy ownpours, or until markets become so overbought that they fall of heir own weight. For the immediate present it is rather safe to redict that no great breaks are likely while the dryness prevails; nd all other news will probably be overlooked.

From the world's point of view, the situation is getting worse ll the time, as Liverpool July wheat closed tonight about 26¢ per ushel under ours. Consequently, a readjustment of about 30 to 35¢ bushel would have to occur before there could be any sizable export business. Even should the government agencies wish to subsidize heat in order to bring about an artificial export business, it would ow take much larger contributions; so that it is not likely to take lace, particularly as the level is such that there will be no necesity of stimulating prices still further.

The statistical position was not particularly encouraging. The isible supply decreased only 1,057,000 bushels compared with ,619,000 last year; and the total now is about 37,000,000 bushels ess than it was in 1933.

Contrary to last year, there are at least some spots in the nited States which promise very fair yields, and probably even beter than average, such as Texas and Oklahoma, where we hear of improvements. In fact, the first thrashing fields in Texas report a ield of about 24 bushels to the acre. This, however, should not e taken as a criterion until we hear from more diversified thrashngs. Kansas also indicates considerable improvement on account of e nice, cool weather, which is very favorable for filling, but with rmer weather in sight this may not be lasting.

The market at the present time is probably somewhat overbought, s is usually the case with such advances as we have had, when shorts re compelled to cover and when longs are in the habit of pyramiding. owever, should there be no rains over Decoration Day, the trade robably will take a very serious view of the situation. The close owed an advance of 5¢ per bushel, which is the limit permitted in e day. In Kansas City and Minneapolis it had advanced the full imit long before the close of their session. Argentine wheat is lling about 42¢ a bushel under ours, and with 42¢ a bushel duty, would practically be on an importing basis to eastern ports should ere be any further widening between their wheat and ours.

Corn advanced partially in sympathy with wheat and also on account of the continued drought. Primary receipts were 580,000 bus. ainst 1,455,000 a year ago; and the visible supply showed a decease of 1,372,000 bushels versus an increase of 810,000 last year. tal stocks are now only about 10,000,000 bushels larger than they re in 1933. There is much more time for any damage which has been ne to corn to correct itself; and it is much too early to assume at the crop will be a poor one. The further fact that hogs deined again about 10¢ per CWT, with the price being so very low at it will not pay to feed same in great numbers, we believe corn ght be quite vulnerable should sentiment change at any time. We ve also reached a price now which will enable farmers who borwed money from the government at 45¢ a bushel on corn in the untry, to pay back their loans and ship their corn to terminal markts at a profit, particularly the white corn, and possibly the yellow.

Oats, rye and barley all improved in sympathy with the advance the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO May 29th, 1934.

Drought conditions still continue everywhere, there is very
tle precipitation in sight for tomorrow when we will be closed,
it is too early to make any predictions after tomorrow. Liver-
l made a very poor response to advances both here and in Canada,
ir futures closing only 3/4¢ per bushel higher. They are very
gely influenced by the tremendous stocks all over Europe, same pro-
ly being as large, or larger, than at any time at this period of
year. Requirements from exporting countries for eleven months
e been only 479,000,000 bushels, a quantity which can be so easily
plied that millers are not very worried about being able to secure
ir prospective stocks.

Although generally speaking comparisons are odious, it has been
observation that as a rule winter wheat appears at its worst in
and that usually as we approach harvest time it improves, or at
st the crop turns out better than had been expected. Thus very
en declines occur in June as compared with closing prices of
31st. We have not gone over the records farther back than the
t nine years, thinking that this span will give a sufficient idea
the trend to at least indicate what the tenth might be, which after
is the one with which we are most concerned. Our survey has shown
following price changes:

	Close July wheat Chicago	
	Last session May	Last session June
1925	163 1/2	146 3/8
1926	137	132
1927	148 1/8	144 1/2
1928	144	137 5/8
1929	97 1/2	115
1930	108 5/8	89
1931	60	57 3/4
1932	57	47 7/8
1933	73 7/8	90 3/4

In only two years were the closing prices of June higher than
se of May: viz., 1929, the farm board year when the advance was
sed largely by the purchases of that organization, and 1933, which
ered the great inflation period.

Assuming the combined winter and spring wheat crops for 1933 to
527,000,000 bushels and for 1934 an estimated 600,000,000, a total
1,127,000,000 bushels compared with consumption for the two years
say, 1,250,000,000 bushels, there will be shown an under-pro-
tion of 123,000,000 bushels, without even considering the export
stion. This is the most extraordinary situation in the annals of
rican wheat history. During the last forty or fifty years there
never been one year before where we have not raised enough for
consumption; and two such years constitute a phenomenon. Under
circumstances there can be no doubt that wheat would have sold
1.50 to $2.00, and even now we believe it would be worth that
were it not for the large (although now somewhat reduced) carry-
.

It is very unfortunate for the present administration to have
rited from the previous one a wheat surplus of approximately
,000,000 bushels, and it is the curse of this accumulation which
been so troublesome. It is well to consider and remember this,
nly as a lesson for our lawmakers of the futility of interfering,
rtificial control, with commodity values. A similar depression
sted in 1894/6, as far as wheat supplies are concerned, when wheat
below 50 cents. There was then no interference with the natural
of supply and demand, and one poor crop, in 1897, was sufficient
lift the price from around 60 cents in September to $1.75 the fol-
ng April.

(over)

While the weather is still the dominating influence at presen, a little more attention is being paid to the fact that we have had i advance now of over 20¢ per bushel; also that we are out of line wi the balance of the world, and that a certain hazard exists in buyin or holding wheat at present prices should there be an unexpected ra over the wheat belt. Consequently, right at the opening offerings were larger, excitement was less, and for the greater part of the session wheat sold lower than yesterday's level. However, traders were nervous and breaks were never very large, and are not likely t be until the drought situation is relieved.

About one hour before the close a report came out, which is confirmed by Broomhall, that northern Russia bought several cargoe (possibly 3 or 4) of wheat and flour from both Argentina and Australia. This ought to be a great stimulating factor for Liverp prices tomorrow; but as far as we are concerned, as long as we are so much out of line with the balance of the world it had nothing bu a sentimental effect. Traders reversed their positions immediatel with the result that the close showed an advance of 3/4¢ per bushe

Corn was weak during most of the session. It is being appreciated that whatever drought damage has been done so far to thi cereal could be easily repaired; and the price advance fully discounts present conditions. The close showed practically no change compared with yesterday.

Oats which are suffering more from the dryness closed higher but rye was a little lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

May 31st, 1934.

There was no precipitation over Decoration Day anywhere in the ieat belt of the United States; consequently the crops in both the nter and the spring wheat states continue to deteriorate. There ere some heavy rains yesterday in one of the three Provinces of the nadian northwest - Alberta, which has a fair acreage; but Saskatch-wan and Manitoba are still suffering, with little moisture in sight. e prediction there yesterday was for more showers, but they did t materialize, and the sharp decline which had taken place of out 2 1/2¢ not only was recovered but another 3¢ per bushel was ded to the price; or a total advance since yesterday of 5 3/8¢ per shel.

For the first time in a long while Liverpool paid some at-ntion to the poor outlook in the western hemisphere, and advanced out 2¢ per bushel. This, at least, gives some recognition to the anged conditions, whereas before millers over there felt so sure their supplies from Australia and Argentina that they ignored nditions here almost entirely. There is still a tremendous dis-epancy between their futures and ours. Liverpool July wheat osed 29 1/2¢ per bushel under ours. While we remember a time last ar when we had a highly inflationary period, during July, en the difference was even greater, it had never lasted in the past. course, comparisons with previous seasons are not in order, as-ming that our crops continue to go backward. It is now almost an sured fact that this will be the second year in succession when e United States will not have raised sufficient wheat for home con-mption.

Tomorrow we shall probably hear expressions of opinions from e private crop experts on the probable size of the crop, and it is nerally assumed that their figures on both winter and spring wheat mbined will be in the neighborhood of 550,000,600 bushels, which uld be only 23,000,000 bushels above the disastrous crop of last ar. Of course, there might be still further deterioration; or on e other hand, crops might improve, all depending upon the weather, ich no one can foretell. However, for tomorrow again there is no isture in sight to speak of. On the assumption of the unsatis-ctory weather outlook buying continued all day, sellers were arce, and the close showed an advance of practically 5¢ per bushel, ich is the limit permitted in one day. Outside markets all followed.

The short interest, which never was very large, is practically iminated; and there of course is the vulnerable point should there an unexpected change in weather conditions. Statistics were irely ignored. Receipts are getting larger, and farmers are more lling to sell at the better prices obtained; primaries today re 787,000 bushels compared with 774,000 last year. The exports om the United States which were published today for the month of ril, show a figure of 5,401,000 bushels, which is practically all cific Coast wheat, exported for government agencies, they paying a avy subsidy. The total exports so far up to April 30th amounted about 33,000,000 bushels, and the imports for grinding in bond, out 9,500,000 bushels, making net exports of about 23,500,000 hels.

The same conditions which affected wheat influenced corn, oats rye; oats advanced the full limit of 3¢ per bushel; corn ad-ced almost 4¢ and rye 3 1/4 to 3 1/2¢ per bushel. There is some sitancy in buying rye in spite of the poor crop, as very large ntities are supposed to have been bought from both Russia and and.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 1st, 1934.

Liverpool futures advanced about 2¢ a bushel overnight, which ows some recognition of the changed situation in North America. so that market was influenced by heavy purchases on part of Chicago aders, who are very much impressed with the immense disparity be- een their futures and ours. There is one thing sure: if wheat con- tions should so shape themselves as to justify higher prices, Liver- ol futures have more chance of an improvement than those in the ited States; and if the contrary takes place, there will be less sses attached to ownership of wheat at Liverpool than in this country.

The weather map continued dry almost everywhere, and there was no eat relief either in Canada or in the United States. A few places d showers but they were widely scattered and extremely light. Tem- ratures have been extremely high and detrimental to the best develop- nt of the wheat plant. The official forecast does not hold out ch hope for relief for tomorrow, but some students of meteorological nditions think it possible that we might enter into a more showery riod. After a sharp advance early, influenced by the weather, a port came from Canada that southern Saskatchewan had some showers, ere badly needed; and the fear that this might spread over the rder caused some heavy realizing, with the result that the close was out 1/2¢ per bushel lower than yesterday. The market acted heavily erbought, and realizing sales could not take place except at great crifices.

The private estimates issued today suggested a yield of 7,000,000 bushels winter and spring wheat combined. The various timates differed very little, so for argument's sake let us base our lculations as to the value of wheat on their figures, always recog- izing that there might yet be changes either upward or downward, in ich case our findings will have to be revised accordingly.

As this is the second prospective short crop in the United States, nsiderably less than the ordinarily estimated consumption of 625,000,- 00 bushels, the carryover from past seasons becomes all-important. e Department of Agriculture Census report gives the following figures of April 1: (000 omitted)

Farm Reserves	Mill & Elev.Stocks	Visible U.S.	Big Mills	Total
114,647	83,588	101,158	100,997	400,390

ere are some other stocks which are not included in these figures, ch as grain in transit and wheat in Canadian ports in bond, but that tal is not sufficiently large to make much difference in calcula- ons.

Our consumption during the last three months of the crop year is ually much smaller than during other periods, as some of the mills e closed down before the new crop moves; so we believe requirements r three months should not exceed 150,000,000 bushels, leaving our rryover at least 250,000,000 bushels. This, added to the estimated eld of 547,000,000 bushels, would give us a quantity of about 0,000,000 bushels. It is fair to assume that our consumption next ar will be below average, because owing to the higher price econ- ies will be practiced in food uses, and very little will be fed to vestock. So it looks as if there will be plenty of wheat for home nsumption and a good carryover besides; therefore, no famine prices less there should be a continuation of the drought further reducing e present estimated yields.

On the other hand, any inroads on our stocks by export would duce the carryover to such an extent that the whole picture might ange. For the present there is no prospect of any such business, th Liverpool almost 30 cents below our price; and great deteriora- on would have to occur in Europe and Canada to bring us in line. It also not likely that with the short crops the government agencies ll force artificial export through subsidies.

From the foregoing it is quite plain that reliable guesses are fficult to make; either an improvement of 50,000,000 bushels or a terioration of the same quantity would make a big difference in ices, as supply and demand are so closely adjusted. The weather, erefore, continues to need careful watching.

Corn followed more or less the trend of wheat, except the break s much more severe. As a matter of fact corn has not suffered as ch as wheat, and there is much more time for relief should rains ne within a week or two, and much of the damage could be repaired.

Oats closed a trifle higher, and rye a little lower.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

June 2, 1934

Notwithstanding a 3-cent break during the session, our uly wheat closes today about 6½ cents higher than last Satur- ay. At one time during the week the advance was 14½ cents, so hat today's closing price is at a decline of 8 cents from the igh point of the week.

The change in sentiment was due entirely to greatly im- roved weather in Canada. Early in the week good rains fell in lberta and last night in Saskatchewan, where they were badly eeded. Prospects are for more showers over Sunday, so at least he Canadian situation has been appreciably relieved.

The same cannot as yet be said of the United States. The ctual precipitation during the night was very unimportant, but he prediction is quite favorable for considerable amounts of oisture in many states, although it is doubtful whether the hole northwestern territory will be covered. Nevertheless, we re of the impression that the weather map next Monday will how more moisture than for a long time, and should this happen here should be a further continuation of today's decline. ur weather man (and his findings are confirmed by the official orecasts) is decidedly in favor of a change in weather condi- ions.

A very bearish statement came out from the Department of ommerce on the figures of flour output for the first ten onths of the current crop year up to April 30, showing a domes- ic use of only 360,000,000 bushels of wheat compared with 94,000,000 previous years. This would mean a consumption of nly 36,000,000 bushels a month, or for the whole year of 32,000,000 bushels. Assuming 80,000,000 bushels to be used for eed and 50,000,000 for feed, total consumption would be 52,000,000 bushels, instead of 625,000,000 which has heretofore een the basis of our calculations. Should this figure be cor- ect, then our carry-over will be considerably more than 250,000- 00 bushels. In fact, we believe that it is safe now to calculate n 275,000,000 bushels, and we might have to raise even that mount.

Reports from Europe continue mixed. There probably will e a reduction in acreage in Australia of about 15 per cent, ut rains which were reported today will undoubtedly improve the ondition, which so far has been rather doubtful. It now develops hat the Argentine crop was underestimated, and that a large arry-over is in sight. It appears that next week's shipments ill bring the total in excess of the quota, and there is still he period to come between now and August1. There has as yet been o agreement by the London Committee as to what excess Argentina ill be permitted to export above her quota, although she may be bliged to continue shipping because the port stocks are more than ,000,000 bushels. This illustrates how difficult it is to reach orld agreements on the wheat question, where each country's prob- ems are so varied.

Primary receipts are somewhat lighter, 413,000 bushels vs 2,000 last year. There are quite heavy decreases in both Kansas ty and Duluth for the week, about 868,000 bushels, so we look rward to a large decrease in the visible supply.

Corn, oats, and rye all suffered sympathetically with the ster cereal, also on expectation of rains which if they come uld undoubtedly be of great benefit.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 4th, 1934.

British exchange has been declining of late slowly but steadily, til today it reached a point of $5.03 1/2 per pound sterling, the west since February 15th of this year, which compares with the high $5.47 1/4 on Nov, 16th, 1933. This in spite of the fact that the abilization funds of both English and United States Treasuries are tive at times, and are for the purpose of steadying exchange and eventing major fluctuations; thereby, interfering with legitimate siness. Such changes, therefore, must have some meaning.

This present decline might be ascribed to one of two different uses; either the improvement in conditions and growing confidence the Amerifan dollar here; or greater distrust in the outlook abroad. are inclined to believe the latter is more nearly correct.

The speech of Premier Mussolini regarding the financial outlook Italy was certainly candid and discouraging. While that country is ill nominally on a gold basis, so many restrictions are involved at it is difficult to say whether it can be maintained. In Germany, th the gold reserve reduced almost to the vanishing point, considerly less than one per-cent as much as ours, perhaps only 3 per cent verage against notes, it is questionable how long the pretended ld standard can be upheld before Germany might be compelled to inate again. We believe the repercussion of these various develonts would be keenly felt in England, and thus any grain man must tch sterling exchange quotations very closely. When England went f the gold basis sterling·broke sufficiently so that wheat in Liverol in the depreciated currency immediately advanced 8 to 10¢ a shel while our market stood still.

The Winnipeg market was closed today; and Liverpool showed ly a moderate recession, which was quite natural as their July wheat still 25¢ below ours. The main event in this country over Sunday s the precipitation in almost every important grain state, with spect of more. We would not say that the downpour was heavy, nor uld it be claimed that there has been general relief, but we do ink that the moisture so far will do a whole lot of good to cereals; en in many parts of the northwest it may give them a new chance. It quite possible that enough acreage has been abandoned so that at st we shall raise only a poor crop, but deterioration will stop. far as winter wheat is concerned, this year's crop will probably no exception to many others, and the final outturn may be considerly better than the disastrous figures for which we are prepared.

The trade was not at all panicky when the weather map showed is great change in atmospheric conditions, many speculators reasong that in any case the crop will not be large enough to give us ry low prices; and this we believe will prove to be correct. It is rdly likely that the combined winter and spring wheat crops will be fficient for a normal year's consumption; therefore, it will be essary for us to cut into our carryover, and consequently we shall art on a better basis next year. Of course, the size of this retion in stocks must be determined later. With a steady decrease capita in consumption of bread and flour, the only hope for better rkets would be development of export business, which at present is in sight; or an increase in population, which also is not taking ce at the present time. The latest statistics show that the drop births has been from 25.1 per thousand people in 1915 to 17.4 in 2. Inasmuch as the death rate is only slightly lower and emigran about equals immigration, there is no outlook for a heavy inase in population.

Not much attention was paid to statistics today, although the ible supply continued to decrease to the extent of 1,347,000 hels compared with an increase of 1,098,000 bushels last year. The unt left of about 76,000,000 bushels is approximately 40,000,000 hels less than a year ago. Trade was considerably lighter, ctuations less erratic, and the close showed a decline of 1 1/2¢ bushel compared with Saturday.

Corn, oats and rye were all influenced by the change in ther conditions, and closed lower. The statistical position as as corn is concerned continues to show improvement; the visible ply shows a decrease of over 2,000,000 bushels against an increase 1933 of 1,400,000 bushels. There are only 7,000,000 bushels more n in sight now than at the same period a year ago. We believe the ht receipts will continue, but on the other hand, the fact that s are selling at such low prices, making feeding unprofitable, is reat deterrent to advances at the moment. Later on when we shall bably have our usual crop scares the picture may change.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 5th, 1934.

World exports of wheat and flour last week were again extremely ll, a little less than 8,000,000 bushels. Total exports of wheat flour from the various countries from July 1st to date are now ,000,000 bushels; and assuming that for the next three weeks they uld amount to 9 or 10,000,000 bushels weekly, the total would be roximately 515,000,000 bushels. This quantity is smaller than has n reported in any year since 1919/20. For the past ten years the ntities purchased by importing nations have been as follows:

	Millions bus.		Millions bus.
1923/24	753	1928/29	912
1924/25	710	1929/30	617
1925/26	598	1930/31	784
1926/27	805	1931/32	778
1927/28	785	1932/33	614

Therefore this year's showing is a very poor one, and the ques- n necessarily arises whether this is due to temporary conditions: ely, bumper crops in Europe, or whether it is more permanent on ac- nt of increased acreage abroad and diminished consumption. Pos- ly it is a combination of the two; but at least for the coming year must assume that foreign demand will be much lighter than hereto- e. It is true that the European crops probably will be much ller than in 1933, but on the other hand their stocks are probably largest ever; and the indifference of millers abroad can only be lained on the theory that they are very well supplied and reasonably e that the competition among selling nations will be so great that y have nothing to worry about.

The United States suffers particularly from this lessened de- d, because at the same time our home food consumption has also inished to a point where the average grindings of flour mills are y 36,000,000 bushels a month. Inasmuch as it is estimated that carryover will be about 270,000,000 bushels or more on July 1st, t is very clear that we will have on hand for this purpose about /2 months' supply for mills.

Liverpool cables were very weak today, showing a decline before session opened of 1 1/4¢ per bushel; and it was anticipated that Canadian markets would be very weak, as they had been favored with y good rains over their holiday yesterday. Consequently, our mar- e also opened at some decline, but when the weather prediction was sued, and the trade had come to the conclusion that the weather was ely to be warm again, and that the precipitation had been insuf- ient in some places, buying orders came on the market and there sharp advances amounting to over 5 1/2¢ per bushel from the low int. The close showed a gain of 4 1/4¢ per bushel.

To us the situation looks entirely different from what it was at week. At that time nobody could tell how long it would be be- e deterioration would stop, and every day would bring additional aster. The three Canadian Provinces have had sufficient rain, so t their prospect is very fair, if not for a bumper crop at least outlook is for an average yield. In this country the southwest s starting its harvest, which will be in full swing in another ten s, bringing about additional hedges. The northwest is still bad, but ewhat improved.

No attention was paid to statistics today, although primary re- pts continue to be light, only 300,000 bushels today against ,000 last year.

Of course, we expect Liverpool to come higher tomorrow, but in meantime their July wheat closes about 31¢ under ours whereas the nal difference should be easily 10¢ above us, and we have seen it much as 25¢ over. So there is a difference of 40¢ per bushel to made up before we could be on an export basis from Chicago. nipeg market also closed about 22¢ under ours, which is quite extra- inary and should not be overlooked.

The corn situation is entirely different, as we have pointed out t along. It is statistically in a much healthier position, although recent moisture must have greatly improved the outlook of the com- crop. There was a rumor, but not confirmed, that government ncies had purchased a large quantity for relief purposes. Receipts light, only 359,000 bus. versus 1,268,000 a year ago. At the se the corn market was 2 3/4¢ per bushel higher.

Oats and rye followed the advance in the other cereals.

DAILY MARKET LETTER

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DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 6th, 1934.

There were no outside influences today to affect the grain mar-
s. There was no news from Washington, and at present the trade in
cks in Wall Street is so light that minor fluctuations are no
tor. In the financial world, there are also no symptoms of any im-
iate great changes regarding currencies, except that German Ex-
nge is declining steadily, and the fear is spreading that that
ntry might be compelled to join the many other nations which have
lated in order to increase their export business. Germany being
reat industrial country with the largest number of inhabitants
Europe outside of Russia, should anything serious happen there, it
ld be difficult to predict what repercussions it would have on
other countries. Occasionally there are rumors here that right
er the session of Congress is concluded, we might raise our gold
ce; but for the present such guesses are not taken seriously,
ticularly as it is not reflected in the value of gold stocks.

Under these circumstances traders had plenty of time to study
ther conditions and make up their minds as to whether the rains
ch have fallen so far are sufficient and if they will bring about
at improvements. Of course, opinions differ very much on this
ject; therefore, the very sharp fluctuations which are experienced
ly. We had a range today of 3¢ per bushel between the low and the
h point, although the close was only 1 1/2¢ per bushel lower than
terday.

The matter becomes more complicated because some of the states
so large in area that moisture is reported at times but when de-
led figures are given out by the Weather Bureau it is found that
le precipitation might have been sufficient in some parts it was
olutely lacking in others. But if we generalize we believe that
ing the last 48 hours the drought has been relieved in many places.
own weather man (and also confirmed by the U. S. Dept. of Agricul-
e Weather Bureau), indicates that during the next 24 hours there
l be light general showers over many sections where they should do
reat deal of good. The drought so far has been the worst in the
otas and in Minnesota; but as the Minneapolis market had been the
kest during the whole session it makes us believe that those who
closest to the scene see some improvement in the spring wheat
tes.

The news from Europe is more encouraging, but the prices which
quoted from Liverpool are still disappointing, closing only about
/4¢ per bushel higher than yesterday, which shows a very poor re-
nse to our sharp rise on Tuesday. This in spite of the fact that
omhall estimates that European crops, outside of Russia, might re-
t in a yield of 240 to 280,000,000 bushels less than in 1933. While
ir stocks are very large, such a reduction if it materializes ought
bring much better purchases, particularly for Canadian wheat, than
the past year.

North American shipments of wheat and flour continue to be very
ht- 3,319,000 bushels this week compared with 4,338,000 a year ago,
wing that owing to the high prices prevailing at Winnipeg even that
ntry cannot do much in the export line, even though their futures are
per bushel lower than ours. In the meantime receipts everywhere
light, only 369,000 bushels today versus 1,201,000 in 1933.
cks continue to decrease, so far this week at Kansas City, Duluth
Minneapolis 628,000 bushels, thus indicating another decrease in
visible supply. However, our advices are that we shall have an
ly harvest in both Texas and Oklahoma, and that the new wheat will
very freely from those states.

At present there is no balance-wheel in the market; any new buyer
to either make his purchases from a previous long or from some
t, as there are no hedging sales. When wheat moves freely and
es come into the market, which we think will take place before the
h is over, we shall have a more normal situation.

Corn followed the fluctuations of wheat more or less, but the yel-
cereal plant never suffered as much from the drought as did wheat,
in the meantime there were good rains in practically the largest
-raising state- Iowa; also southern Illinois had been favored more
ess. We believe the irreparable damage done to the plant is
l, and with good weather from now on we might still raise a very
e crop. For the present to us it looks as if prices might go lower.

Oats and rye closed slightly lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

June 7th, 1934.

It finally rained. After experiencing about the worst dought during the month of May, all records having been broken, vth only occasional showers here and there during this long intervl, we think that precipitation for the last 48 hours was such almst all over the wheat and corn belt that the situation must be geatly relieved. Kansas, which was not in quite as bad shape as te spring wheat states, is still without moisture; and Illinois aso is badly in need of precipitation. It is quite plain that mch of the damage already done is irreparable, but the wheat felds still standing must profit greatly through the moisture recived within the last 48 hours.

The wheat market naturally was considerably lower; and Mnneapolis, which is immediately affected by the outlook in the sring wheat states, was the weakest today, showing the consensus i that great improvement is likely to take place.

The government will publish its estimate after the close tmorrow as to the probable yields in the winter wheat, and the cndition of spring wheat states. It is well to take into consideraton the fact that this report was compiled up to the end of May, ater which time some deterioration has occurred, but this may be mre than offset by the improvement which is likely to come after te rains. The first movement from states where the earliest crops ae being raised is commencing to show up. Enid, Oklahoma, today rceived eleven cars of new wheat. We also have received messages tat Texas will start moving its first collections on Monday. This mvement will gradually move northward, but it will probably take sveral weeks before it will appear in commercial quantities; and fom that time on the market will have to absorb larger hedging sles. No matter how small the crop might be, as receipts always eceed the demand, accumulations will take place, which will have t be hedged and new buyers will have to be found. This is one of te reasons why as a general rule it is more difficult to advance pices during the month of June than it is in those periods when te opposite occurs, namely: from January to the middle of June, wen we usually have a decreasing visible supply. In proportion as tis takes place hedges have to be removed.

The break at times today was as much as 2¢ a bushel from ysterday's close, but when corn firmed up wheat sympathised with it, ad the net loss for the day was 1 1/2¢ per bushel. Primary recipts are still light 511,000 bushels compared with 781,000 last yar; and stocks at Kansas City and Duluth show a smaller weekly decease up to date than lately- only 250,000 bushels.

Broomhall continues to lay stress upon the shorter crops in Erope compared with 1933; Liverpool is not inclined to follow our dclines as much as it did, evidently taking some cognizance of the otlook for reduced yields in both hemispheres.

Corn was even more favored than wheat as far as moisture is cncerned, as Iowa had abundant rains, and there is nothing to prevnt that state from having yields equal to those of any normal year. Hwever, there was very heavy buying by traders who have confidence tat on account of the reduced production in other feedstuffs such a oats and hay, prices are not high, and are willing to play the bll side of the market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 8th, 1934.

This morning's weather map giving detailed report of con- ions during the last 24 hours was quite favorable. Our Northwest again favored with a considerable amount of moisture; this also ludes Montana, where rains were badly needed. We think that the rught in the four spring-wheat states is fairly well relieved for time being. There must be quite a change in the outlook if an ortant firm like the Van Dusen Harrington Co. in their crop report, tes that where damage from drought and heat was not irreparable ent rains and cooler weather have greatly benefited the crop. We r, of course, cognizant of the fact that a return of extreme heat ing this month and July without timely rains could again bring ut more deterioration. The critical time for spring wheat is still ad, and predictions cannot be safely made by anybody until much er. However, we believe that for the present deterioration has pped, and we must assume that the outlook is immeasurably better n it was ten days ago. The drought in the southwest continues, and peratures are extremely high, many places at Kansas have had to tend with heat up to 100 degrees for the last five or six days. this we think will more affect the quality than the quantity, giv- us lots of shrivelled wheat, the crop being very far advanced, and l go down in history as an early one. The most favorable states, as and Oklahoma have not gone back and promise good yields, with rspects of an early movement to market. In Kansas estimates are low already that they are not likely to be reduced any further, and nions generally run from 65 to 80,000,000 bushels.

The government will give its report this afternoon, and it assumed that it will be rather pessimistic. This caused a great l of buying today in anticipation. One should be aware, however, t the figures were compiled from reports received around the first June when the outlook probably was at its worst, and before many ritories had been visited with rains, which undoubtedly had been y beneficial. We, ourselves, are inclined to think that the ernment figures as to the probable yield will be less than the vate experts led us to believe, but due thought should be given the fact that the Washington Bureau in coming to its conclusions ally takes into consideration the average reduction which takes ce during the month of June, and the par which is used as a measure higher on the next report than this month. Consequently, the same dition report in July might easily give us one bushel p r acre more winter wheat than today's report will show, or 35,000,000 bushels e.

The Winnipeg Free Press issued an article this morning as lows:

> "Continued precipitation ends menace of drought. Insect plague is checked. Heavy showers reported throughout west Thursday. Northern districts of Manitoba received best rainfall of season. Crops get new lease of life under ideal growing conditions."

conclude from this that the outlook in Canada has greatly improved; that market after an early decline showed better prices due to fact that Europe is buying large quantities of wheat there daily big premiums over their futures. This would indicate to us that foreign situation is gradually improving, and that their price l is unjustifiably low.

Liverpool showed some advance, about 3/4¢ a bushel, although s is not nearly sufficient considering they are so very much below markets, and Australia and Argentina alone cannot supply their ts.

(over)

Sentiment is a great factor in speculation, and the fac that the stock market in New York showed about the best tendency n a month or so was also a great influence in inducing purchases o cereals at different times. The various government agencies are going to distribute a tremendous amount of cash money into the western states for drought relief, also for wheat subsidy on promises of reduced acreages, and further benefits for the hog-corn plan. Therefore these states ought to have a tremendous amount of money to spend, and under the circumstances we do not see how for the present business can be poor where the farmer's purchasi power is so largely increased.

No attention was paid to statistics today, but Kansas C Duluth and Minneapolis so far this week show a decrease of 622,00 bushels. We think starting next week the decreases in the visib supply will be smaller, as by that time we shall have a fair movement of new wheat. At the close the gain over last night was o 3/8¢ per bushel. Heavy liquidating sales took place before the c as many traders preferred to even up as long as the uncertainty the government report existed.

Corn showed a very firm tendency all during the session though the close did not show much change compared with yesterday final figures. Receipts continue to be light, and there is n new pressure. The weather is favorable now for the growing crop, but July and August are the real deciding factors. The trade is inclined to buy on all reactions hoping that we shall get our usu crop scares.

Oats and rye were fairly strong.

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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO

June 9, 1934

The important news overnight was the rather sensational overnment report which was issued late yesterday. This forecast winter wheat crop of 400,000,000 bushels, or 16,000,000 less than iven by the private experts. A very low spring wheat condition as also indicated, which was interpreted to mean a crop of about 15,000,000 bushels. Combined winter and spring wheat, therefore, ook to be the lowest in the last 41 years and even less than ast year when 527,000,000 bushels were harvested.

It is generally true that bad news travels faster than good; o that a sharply higher opening price was almost a foregone conlusion. An initial advance of about 3½¢ per bushel was largely ost before the close. The surprise, however, was the unfavorable peculative response which followed. This may be accounted for in number of ways. First of all, it should be considered that our arry-over has been reduced from 385,000,000 bushels last year to bout 270,000,000 on July 1, 1934, a decrease of 115,000,000 bushls, of which 25,000,000 bushels has been exported. It is obious, therefore, that a crop equal to last season's would diminsh our carry-over by an additional 90,000,000 bushels but still eave us on July 1, 1935, about 180,000,000 bushels. The figures ust cited do not take into account either improvement or deteroration from this point forward, but with improved moisture that as occurred since the government data was compiled it is more han likely that we know the worst now and that final yields will e better than were indicated in yesterday's report.

We have not taken into account, either, that some wheat ight be exported this coming year, although there is not much robability of this as our markets are too much above the world arity. This morning, for instance, Liverpool responded only ractionally and showed no great apprehension despite the reduction in the United States crop. Not even the sharp advance in Winnieg yesterday impressed their market appreciably, as July wheat in iverpool is quoted this morning at only 72¾¢, which is about 26¢ er bushel cheaper than the same future in Chicago. This demontrates quite clearly that despite a poorer outlook abroad than a ear ago they are not showing any great anxiety as to future suplies. The fact that last year's foreign crops were so large, reatly piling up reserves on the other side, makes for a rather ndifferent demand, and to that extent we cannot entirely ignore oreign prices.

The weekly weather forecast is quite favorable, a showery eriod indicated for the middle and again at the end of the week, ith moderate temperatures prevailing. Our own weather man beieves that there will be rains and showers to-night or tomorrow n the southwest with clearing skies northwest.

Primary receipts were 437,000 bushels compared with 937,000 ast year. No clearances were reported either today or a year go. Wheat stocks so far at Kansas City, Duluth, and Minneapolis how a total decrease of 839,000 bushels, indicating a fair reuction in the visible supply on Monday.

Corn was very little benefited by the great strength in wheat. rices immediately after the opening reacted, and with fairly genral rains reported in Illinois, Iowa, and parts of Indiana it is hought by many that great improvement is still possible. As statd before, speculative response was extremely disappointing conidering that the oats crop is almost a dismal failure, forage rops burned by the drought, and pastures generally reported in ery poor condition. The explanation probably lies in the fact hat to a large extent markets had been discounted by the recent dvances in prices, or else the belief that if weather averages ut and rains occur at frequent intervals much of the damage is ot altogether irreparable.

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DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 11th, 1934.

There seems to be a complete breakdown of the world wheat
t, arranged at various conferences in Europe, by which each ex-
ting nation was assigned a certain quota of grain shipments. This
done as a means of stimulating prices. Argentina is apparently
chief culprit, having already exceeded her quota, besides having
additional vessels booked to be shipped during June and July,
er which time a new deal is supposed to come under duscussion.

We are never in sympathy with violation of a contract by
her a nation or an individual, but in this case the root of the
uble lies much deeper. We do not see how anything salutary can
r be accomplished on this subject through world conferences until
ada changes its policy. That country, through artificial stimu-
ts, pools, and subsidies, has extended its wheat acreages so
atly that at the present time, with a population of about 10,000,-
or less than one-half of one per cent of the entire world, raises
a normal crop year enough wheat to supply about 50 per cent of
the import requirements. This year Canada is likely to raise
to 400,000,000 bushels of wheat as compared with about 550,000,000
ected in the United States, although her population is only about
er cent as large as ours. Our voluntary decrease in production
s year is three or four times greater than that of Canada.

Congress will probably adjourn this week, and during the next
months much planning will be done, particularly with respect to
icultural matters. It is to be hoped that it will be wise plan-
g, based on thoughtful study of the past. There comes to mind
ecially the damage done to the wheat farmer through large carry-
rs. The question is again being discussed whether it would be
e to start with new accumulations in future, after these two poor
vests, so as to have plenty against their recurrence.

This year's crop is estimated to be the smallest in 41 years,
lowing a record short crop last year as well, and this ought nor-
ly to give us sensationally high prices. If it fails to do so now,
is because of the large stocks which were originally purchased by
ernment agencies and then transferred to millers, elevators and
culators. It is now suggested that a certain portion of wheat
ulting from good crops in future be stored on farms at harvest
e to serve as a safeguard in case of failures in later years. We
her feel that such excess supplies should be exported and not held
r, as they would depress prices for other seasons. Such a pro-
ure would mean the end of high prices to the American farmer forever.
the past his compensation for short crops has always been stiff
ces, but if this should be prevented by throwing on the market
ge supplies held over from previous seasons, he will suffer ac-
dingly.

Just at a time when Congress is about to adjourn and when
at powers have been conferred upon our President for negotiating
iprocal treaties abroad inspiring hopes of exchanging our agricul-
al products for such foreign goods as we might need, there seems to
complete financial disintegration in Germany which might affect
de in many ways. The gold backing of German notes is almost at the
o point. Moratoria not only for government obligations but also
private debts are in sight. It is as yet too early to predict
t political effect this will have. There is no question, however,
t Italy also is reaching a more dangerous status and her budget
not be balanced. The Balkan states probably will follow; and
land, which depends so much upon her export trade and has such a
ntity of short term obligations, might have to do something to
tect her own currency. More violent exchange fluctuations are to
looked for. The outlook for export in the near or distant future
therefore, very slim, and we shall have to rely entirely upon our

(over)

home demand, which should not be very difficult in view of the reduced yields which are anticipated.

The weather overnight was rather mixed. There were some rains in Canada, also showers in Illinois and the southwest, but c paratively little precipitation in the northwest.

The visible supply shows a large decrease this week, 2,270,000 bushels against an increase of 1,760,000 a year ago, and the total is now 44,000,000 bushels less than it was then. The re son for the large increase last year was probably due to the sharp advancing markets which influenced the farmer to market the remnan of his crop. From now on we look for largely increased receipts, the crop in Oklahoma and Texas is early, and receipts will be very fair for a week and then might become really big. Trade was very light, fluctuations comparatively small, and the close showed hard any change from the previous session.

Corn was fairly strong during most of the session. There a decrease in the visible supply of 1,866,000 bushels versus an increase of 3,470,000 in 1933; the total supply in sight now is only 2,000,000 bushels more than a year ago, while a short time ago it 30,000,000 bushels more. The fact that hogs, which have been de clining for twelve or thirteen consecutive weeks, finally showed a good advance, also was bullishly construed.

Rye was strong and higher, and oats showed a firm tendenc

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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 12th, 1934.

Corn without a doubt was the leader in cereals today, and its
eat strength affected wheat, rye and oats. Without any special
ws overnight sellers were very scarce, and new buyers who had gain-
confidence on account of advancing hog prices were bidding up
ices in competition with each other, and until about one hour be-
r the close of the session there was an advance of 3¢ a bushel.
We have repeatedly pointed out the great strengthening statis-
cal position. The visible supply reached its high on Feb. 24th,
66,000,000 bushels; at the same time a year ago it was only
,000,000 bushels; so the quantity in the show windows was 33,000,-
0 bushels more this year. This amount has gradually been reduced
til now there is hardly 2,000,000 bushels more in the visible sup-
y than in 1933. Receipts are still very light with very little pros-
ct of replenishment, until the government releases some of the corn
which money was loaned to the farmers. Primary receipts today for
stance were only 255,000 bushels compared with 1,110,000 last year.
gs have advanced from 30 to 50¢ cwt during the last few days, and
do not know of anything which finally would be as beneficial to
e country as a further increase in the price of animals. The hog
one of the most valuable assets of the farmer.
The present price of corn would permit the farmer in many
aces to pay off his government loans, either shipping it to terminal
rkets or disposing of it to feeders without any loss, and possibly
th some profit, depending upon the location. Whether this will take
ace on a large scale is doubtful until still higher prices are paid
re. One of the reasons we presume is that the farmer who had
rrowed from the government may have spent the money in the meantime,
for only a trifling profit he does not wish to enter into new
ansactions which have to be financed through the banks, etc. How-
er, should prices advance materially the situation would change,
about 270,000,000 bushels of corn would gradually come on the mar-
t. Crop prospects must have greatly improved lately, although there
still a good deal of talk of minor ills, chinch bugs, etc., but
e chief trouble, the drought, is to a large extent relieved as far
corn is concerned. However, we have to bear in mind that the hay
oats crop are very poor; therefore, no such substitutes can be
ed for corn this year, and consumption ought to be correspondingly
g unless the drought should have reduced the amount of animals
ich are to be fed.
Wheat received no encouragment outside of the strength in
n, but this was sufficient to lift prices, and at the close there
s an advance of 1/2¢ a bushel compared with yesterday.
Liverpool cables were extremely weak, declining about 1¢ a
shel. Our prices are so far away now from those of Europe that we
ght just as well forget any possibility of export business and
e all our calaulations on domestic needs. In fact, the difference
so great that even a subsidy as large as was paid last year to
mulate shipments abroad would not do the trick this year, and
ificial exportations would require too large a contribution on
t of government agencies. Consequently, we do not think it at all
ely that anything of this kind will happen.
Figuring wheat statistics on a strictly domestic basis, the
sent outlook is for possibly 525,000,000 bushels of winter and
ing wheat combined and 270,000,000 bushels carried over, or
,000,000 bushels, with a consumption of 600 to 625,000,000 bushels.
s probably would justify a price of 90¢ to $1.00; and under those
cumstances no scarcity exists and none is in sight. This is all
the assumption that nothing very radical will happen from now on.
re are still possibilities of another spring wheat scare should
weather set in in July without sufficient moisture, but there is
guarantee that this will occur. For the immediate present we see
dually increasing receipts and hedging sales, with a very poor
culative demand; and there will be many times probably when it will
difficult to absorb hedges except at reduced prices. Therefore,
at caution should still be used in making new investments at a
her level.

Oats and rye were higher in sympathy with corn.

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DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 13, 1934

German marks continue to decline. Moratoria have been de-
ired on certain debts, import restrictions have been imposed,
n the country seems in the throes of a crisis. In Italy, Musso-
ini has candidly declared that finances are in very bad shape,
n it seems but a question of time before even a nominal gold
is must be abandoned. Actually, it would be impossible to ob-
n gold now in the old-established way. Russia, in setting up
t new regime about sixteen years ago, had two objects in view
ch were of great value to the prosperity of the nation: namely,
roved and increased agricultural production and better trans-
tation systems. It has succeeded in neither. Thus, these three
ntries, which were the first to interfere with the free action
development of the individual and to replace personal initia-
e with governmental control, have suffered, certainly, far more
n France and England, where only the most necessary regulations
e placed upon individual activity.

This leads one to the belief that before long some change is
ely to take place; and what will interest us most is a wished-
change in the erroneous high-tariff policy on wheat and other
d and animal products formerly shipped to Italy and Germany.
that could be accomplished, our exports to those countries, which
e been reduced to about the vanishing point, could be resurrect-
Such high duties, through increasing the cost of necessities
the laboring man, have lowered his living standards and made
se two nations less competitive in the export field, with conse-
nces as described above. Our president has a wonderful oppor-
ity now, with the great powers at his command, for reciprocal
iff agreements by which to help our agricultural exports, pro-
ded foreigners will listen to reason.

Any serious financia 1 disturbance on the Continent would
urally have the effect of weakening sterling exchange compared
h the gold countries. England would have to take some steps to
tect her gold reserves, because she is a large short-term debtor,
h capital having been sent there for sanctuary. In fact, today's
rling quotation, at $5.04 to the pound, indicates that so far she
depreciated to within 3 per cent as much as the United States.
s shrinkage, compared with the gold countries, is about the
atest since England departed from the gold standard. What our
ion will be in the event of still greater currency cuts there,
is difficult to say; but it might take the form of further infla-
n here.

The wheat market at the opening was influenced again by the
at strength in corn. There had been showers over the Dakotas,
raska, Kansas, and Oklahoma, which was all beneficial for wheat.
lications were also for unsettled weather and probable showers
most of the northwest, west, and southwest, to-night or Thurs-
y. This, together with a few new hedges, brought about sufficient
ssure to ease the market rather materially; and the very limited
rt interest also was a factor. The movement of new wheat is ex-
ding northward, and Enid, Oklahoma, reports that they have 114
s in today, of which about 95 per cent represents new crop. This
believe will continue, and therefore a broader buying power is ne-
ssary if weakness is to be avoided.

Primary receipts were 541,000 bushels vs 968,000 last year.
earances nil today and a year ago. Stocks so far at Kansas City,
luth, and Minneapolis show a total decrease of 344,000 bushels.

All of the early strength in corn was lost despite a very
all movement to markets, primary receipts being 284,000 bushels
mpared with 1,536,000 last year. The hog market was again 25¢
gher, and the advance in the last three days amounts to about 75¢.
me traders regarded this as helpful to the yellow cereal, but we
gard it as two-sided, indicating that supplies of hogs on farms
ve decreased now and consequently feeding operations will be less-
ed.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 14th, 1934.

There is little excitement today in the foreign exchange situa-
n. Sterling reached a new low point yesterday by comparison with
franc, which seems to indicate greater confidence in the French
rency at the present time, the feeling being that the German situa-
n will not greatly affect France. This latter country has very
foreign short-time obligations, whereas large sums fled to Eng-
d when conditions were different.

Greater confidence is also shown in the dollar currency, as the
de balance is in our favor and requirements for foreign travel
remittances abroad as gifts are very much less than in former
rs. Therefore, at the present time the dollar sterling exchange
ctuates but little, and unless confidence here should be on the
e because of our large expenditures this probably will continue to
the case for some time.

The weather at the present time is considered as more or less
al for the best development of the wheat plant. It is nice and cool
the northwest , with occasional showers, cooler in the southwest
in the central states, which ought to be very favorable for fill-
where wheat is far enough advanced. This in connection with
ger hedging sales and more in sight as the harvesting increases,
rated a very bearish sentiment. The trade is not very large, and
refore it is difficult to absorb same. As we pointed out several
es previously, under such circumstances wheat temporarily might sell
ow its real value, and even with an improvement in the outlook it
not likely that the crop will be a large one; anyhow it will be
s than our normal consumption. Should dry hot weather again de-
op, which is not unusual late in June and July in the northwest,
timent could change rapidly.

Stocks at Kansas City, Duluth and Minneapolis so far
s week show a net decrease of 387,000 bushels. Primary receipts
still light, 655,000 bushels compared with 1,039,000 last year.

Secretary Wallace speaks more encouragingly of the world wheat
uation and believes that the United States will have solved the
plus wheat problem by July of 1935, at which time he estimates the
ryover will probably not exceed 135,000,000 bushels, or about nor-
l. We concur in this view on basis of the estimates of this month's
ernment report, which indicated only a little over 500,000,000 bus.
at crop. However, great improvement has taken place since then on
h the winter and spring wheat acreage. With good filling weather
the southwest; and with the timely rains which have occurred in the
thwest we do not believe it would be an extravagant view to assume
t the betterment might well amount to a bushel per acre on, say,
000,000 acres, or 50,000,000 bushels. The fact that the par value
winter wheat will be raised adds to the probability that this will
the case. In fact, the final outturn might show even better re-
ts than that, in which event it would not be the first time, as in
t years the final results are much better than the June reports in-
ate.

There is also some doubt yet as to the carryover. Secretary
lace's previous figures for supplies on hand July 1st were about
,000,000 bushels, and with reduced consumption which has taken
ce it might amount to still more.

At the close the market showed a decline of almost 2¢ per bushel.

On basis of present prices in favored localities, farmers who had
rowed money from the government on their holdings of corn in cribs
nt have a theoretical profit and dispose of same. However, from
iable information which we received there is no danger that there
l be any wholesale release of this corn under present conditions.
s may change materially with largely enhanced prices. The very fact
t so many individuals are interested makes it clear that where each
had to make his own decision, at best it will be a long, laborious
cess, and a great deal of time would elapse before the deals could
consummated. Furthermore, we are also advised that there is great
bability that the time might be extended for the farmer to take his

(over)

choice of either selling to the government or continuing the loan; and this should make it quite clear that no great fear might exist that the throwing of this corn on the market is likely to have a d pressing effect, if conditions are otherwise favorable for the mai tenance or advance in prices.

Under the circumstances we think that the purchase of corn fo September delivery against the sale of the December delivery might prove very profitable.

The visible supply has been decreasing steadily for many week and it looks to us as if it would be very small before the new cro starts to move. This ought to put corn in a much stronger statist position than it was.

Oats and rye sympathised with the other cereals and closed lo

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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 15th, 1934.

Today's steadiness of sterling exchange would indicate that e immediate effects of the German moratorium on all foreign obliga- ons and private debts had been fully discounted. The matter will t however, rest where it stands now. The six months' period de- nd will pass quickly, and before then some arrangement will have e made; because no government can summarily dismiss all obliga- ons of whatsoever nature, private and public, bond interest, and vidends on industrial corporations which are perfectly solvent. many will in the interim have an opportunity to temporarily re- bilitate its finances and improve its gold reserves; but there is il the probability of eventual currency devaluation. As far as ains and provisions are concerned, the German market has been so al of late for our cereal products that they should not be af- ted in any way through this development.

The news on wheat was rather bearish today, and consequently ad several sharp breaks. However, the trade is fully aware that est our crop will fall short of normal consumption, and that very prices are not in the picture. The weather we consider extreme- avorable at the moment. There is a great deal of moisture in the inwest, and while there may be places where it interferes with resting or with the quality of the crop, the larger territory will fit from this precipitation. Generally speaking the weather ice and cool everywhere, which is very favorable.

Receipts are increasing, as are hedges, with a poor speculative nd, which counts against the price for the present. Millers are t yet active buyers. In order to bring about a reversal of senti- we think one of three things will have to happen: sharp advance ad, a return of hot, dry weather in the northwest, or a much im- ed milling demand. Stocks at Kansas City, Duluth and Minne- is showed a net decrease for the week of 378,000 bushels. We ct that the decrease in the visible supply on Monday may be the one for some time. At the close the market showed an advance /2¢ per bushel.

Hogs were a trifle lower today; but their advance the past four y had been almost a cent a pound, or about 25 per cent. Nothing d be more beneficial to the prosperity of our farmers and ugh them to the country at large than enhancement of values in als. Due to the reduced run of hogs to this market since the kup of the drought, any further advance in price would create re bullish feeling in corn, particularly as its statistical tion continues to improve.

The visible supply of corn on February 24th was 33,000,000 els larger than last season. Next Monday we expect that it will ess than the corresponding week in 1933, for at that time it ed an increase of 2,414,000 bushels and we expect a decrease week. Basing our calculations on the assumption that only l portions of the 270,000,000 bushels now held by government cies on the loan plan will be released, we anticipate that re- its from now until the end of the crop will be very light; that etion of stocks will continue until finally this choice old may become very valuable.

We do not feel quite the same with reference to December corn, rop prospects are pretty fair at present; although the crop es usually come in July, and if that should occur this year tem- ry bulges might result.

Primary receipts of corn continue to be very light, only 000 bushels versus 1,092,000 previous season.

Oats and rye are not the favored speculative cereals at the ent time, but they showed a small advance compared with yester-

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 16th, 1934.

It was just a week ago today that we experienced a rather xciting market after the Government had issued its rather sensation- l estimates. On basis of a crop thought to be little over 500,000,- 00 bushels, September wheat sold up to $1.02 1/2; but since that ime the trend has been reactionary, influenced both by better wea- her and by increased hedges.

In connection with the former, it is interesting to note that he weather bureau reports that the importance of the recent rains an be seen in records which show the precipitation since the first f June in the Dakotas and Montana, for example, at nearly as much as he total for the five months from January to May. This is also re- lected in reports which are coming to us from people in those terri- ories; and while of course frequent rains are necessary due to the oisture deficiency to date, it cannot be doubted for a moment that he past few weeks have brought about a complete change in the picture, ot only in our northwest but in Canada as well.

Canada had a carryover on August 1, 1933, of 219,000,000 ushels, which with an estimated crop of 269,000,000 bushels made otal stocks of 488,000,000 bushels. Deducting from this 120,000,000 ushelsfor home requirements and seed leaves available 368,000,000 ushels. The actual exports from August 1st to June 9th were 63,000,000 bushels, leaving about 205,000,000 bushels available with even weeks to go; so it looks as if Canada would have a carryover f at least 175,000,000 bushels. A crop of 350,000,000 bushels on ugust 1st, 1934, would give them 525,000,000 bushels for next year, uch more than last season; so it will be necessary for Canada to be free seller during the next twelve months unless her crop should eteriorate considerably.

Contrary to late custom, grain news rather than financial atters seemed to dominate markets this morning, Liverpool coming a- out one pence higher, influenced by smaller offerings from the rgentine. A cable from abroad also spoke of the possibility that he French crop this coming year was likely to be one-third below the revious harvest, and there is no doubt that European crops will be ar under the 1933 yields. If there is to be any greater stability n wheat, it is only natural that Liverpool, which is almost the heapest of all markets, should be the first to reflect a change in he world price level, as they cannot forever expect to get all of heir supplies from the Argentine. Even Canadian prices, based on hipping differences, are entirely too high comparatively if wheat s to be exported in commercial quantities.

Reports of a temporary settlement today of the steel strike aused security prices to advance slightly, and at our opening this as a somewhat sustaining influence. New wheat, however, is beginning o show up in better volume. Enid, for instance, reports 266 cars inspected today, all of it being new wheat, and a message from Plainview, exas, claims that 6,000 freight cars are being mobilized to take care f the crop movement which is starting in the south plains territory. he recent rains have stopped cutting in some localities, but on the hole we believe that new hedging pressure will increase; and with nly a moderate demand from mills this extra weight on the market will e sufficient, in our opinion, to prevent any sharp advances. We still ave in mind that the improved weather will add somewhat to the yields, nd finally there should be considerably more harvested than was in- icated in the government report. This should be borne in mind at ll times, as we are so far above competitive levels. Our own wea- her man believes that there will be showers in the northwest over the eek-end with rather cool temperatures. Heavy showers to good rains ave also been reported in all three of the Canadian provinces, with he possibility of more to come and cool temperatures. The weekly eather outlook is also rather promising, with moisture indicated at he beginning and again at the end of the week, with normal temper- tures prevailing.

Primary receipts were 554,000 bushels compared with 1,377,000 ast year; clearances nil both today and a year ago. Stocks so far his week at Kansas City, Duluth and Minneapolis show a net decrease f 418,000 bushels.

The corn market started out buoyantly, but one or two concen- rated selling orders immediately had their effect. In the absence f any large trade liquidation quickly took its toll and prices eceded nearly 2¢ from the early high. We still feel that old supplies will not be overly plentiful, with the large government holdings. lso showers are forecast for most of the corn-belt states.

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CHICAGO June 18, 1934

The adjournment of Congress, as a general rule, has a somewhat timulating effect upon speculation, for the trade knows that during he interval until it reconvenes no new regulatory laws are imminent. he present seems to be an exception, and today no decisive trend was anifest in Wall street stocks, cotton, silver, rubber, or in any of he cereals. This is chiefly because of the vast discretionary powrs accorded our president, through which many changes are possible efore the next session; partly, too, because of the many new laws ecently passed whose effects cannot yet be foreseen.

The chief news concerning wheat overnight was the continued trength at Liverpool, accompanied by reports that drought still exsts and that European crops are going backward. Here in the United tates the contrary is true, as the wheat and corn areas have received ood precipitation, improving crop prospects. This tends somewhat to ounteract the deterioration abroad, in consequence of which our maret was very narrow and fluctuations small. At the close wheat was /8-cent higher than on Saturday.

The visible supply showed a much smaller decrease than last week, nly 615,000 bushels vs 2 ,274,000; but last year there was an inrease of 2,023,000 bushels. In 1933 we had an extremely bullish mareting situation, as inflation fears led to a tremendous movement. he visible supply is now almost 47,000,000 bushels smaller than in 933, and the discrepancy is the greatest so fa r on this crop. We elieve, nevertheless, that from now on there will be weekly inreases, rather than decreases as heretofore, and the present visible f 73,000,000 bushels is likely to be the lowest for some time to ome, even with a short crop.

It is remarkable how easily the milling requirements can be suplied from daily receipts when export business is small or at a standtill. We think there has never been a year in American history when he outlook for export has been quite so unpromising as it appears at resent. We are still far out of line with the rest of the world, and ith reasonable precipitation in Canada she will be in a position to are for a very large percentage of the import requirements. On June 8 he Canadian visible supply was still close to 212,000,000 bushels, and ince she consumes only 120,000,000 bushels a year, including seed, here will be easily 18 months' supply on hand on August 1 with a crop n sight which, although too early to estimate, might easily amount to 50,000,000 bushels. Theoretically, this entire quantity could be pared and a reasonable carry-over still remain.

Most of the strength which prevailed in wheat at various times durng the session was in smypathy with corn, but it was not easy to hold dvances, as hedging pressure is on the increase. This makes us feel ather bearish on the situation for the present. We do not think here will be enough speculative buying when the wheat movement reaches ts peak and hedging sales are greatest. This will come during the ext few weeks, and at that time the nearby futures may be the weakest, hereas now they a re the strongest. July/September wheat have been arrowing, as well as September/December; but as there is no concentratd interest and it is not likely that the millers will wish to ship any heat out of Chicago when they can get plenty at home, we look for very uch better carrying charges later on.

The corn situation remains strong as far as old crop futures are oncerned. The visible decreased 2,600,000 bushels this week vs an inrease of 2,400,000 last year, making by way of comparison a differnce of 5,000,000 bushels; and for the first time on this crop the visble supply, which has been such a handicap to the bull, is smaller han last season and only 39,000,000 bushels, while in 1933 it was ,000,000 bushels. This we believe will continue, and with the small uantities of corn left in the country aside from that sealed under overnment loan, we may look for only very small receipts. Today again he primaries were 535,000 bushels vs 1,556,000 same day a year ago. he situation in new crop futures might be entirely different. The ine rains in the largest corn states must have been of inestimable enefit, and the outlook at present is quite favorable: at least nor-l, we should say.

Rye acted independently strong, but oats were practically unhanged.

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CHICAGO June 19th, 1934.

Germany's gold reserve has had a further decline from 111,000,000 arks to 94,000,000 marks, which is equal to less than $25,000,000 on ur old gold basis or $40,000,000 on the present one. We do not see ow, in modern times, any large country can remain on a gold basis ith so small a coverage, which amounts to less than 3 per cent reserve ratio for notes. We remember that in 1894 the gold reserve of he United States declined below $100,000,000, causing a near-panic ere. Through a loan made by J.P. Morgan & Co. abroad, stipulating hat the proceeds must be paid in gold, the danger was averted; and rom that time forward we have remained on a sound basis until, recently, we voluntarily reduced the gold content of our dollar, with ur gold reserve at its peak.

The situation in Germany is altogether different, because our redit was never questioned, whereas that of Germany is at the zero oint; therefore it is problematical whether she will not have to fficially devalue her currency, because in effect she has done so lready. There are about half a dozen different mark currencies in ermany, each with its own rights and privileges, all of them at a iscount. Even the best is selling at about 8 per cent under parity. his is quite unfortunate for us, because it makes it almost impossible to sell any wheat to Germany, no matter how poor her crop ight be, since she can neither pay for it nor buy on credit. This is ne of the years when the outlook there is very deficient and under ther conditions she might be a valuable customer.

Similar conditions, although not quite so bad, exist in Italy; rance, which reports very poor crop prospects, will probably be nly an indifferent buyer because of her large carryover. England sually buys about the same amount one year as another. In spite f the very poor prospects abroad, which ordinarily would set our arket on fire, there is the greatest indifference. Liverpool utures actually came lower today. This shows what great changes ave taken place in world marketing methods.

The crops in this country have improved considerably since the ains of late. Ralph Budd, President of the Chicago Burlington & uincy Railroad Company, which claims to be the largest grain and ivestock carrier in the United States, increases his estimate of he Kansas wheat crop from 75 to 100,000,000 bushels since June 1st, nd Nebraska's potential yield from 15 to 25,000,000 bushels. We urselves are convinced that Texas and Oklahoma will raise considerably more than was estimated by the Government on June 1st, and here is no doubt that the four northwestern states also will exceed expectations of that time. This general betterment might result in a total crop here of more than 550,000,000 bushels, possibly ot far under 600,000,000, instead of the 500,000,000 forecast arlier in the month. This of course depends on favorable weather rom now on. If it should be hot and dry in the northwest during uly, these results could not be realized.

With practically only one more reporting week to come, the exports of wheat and flour from the various countries amount to 07,000,000 bushels; so at the completion of the twelve-months period hey will probably be about 520,000,000 bushels. This is probably he smallest quantity required in recent years by importing nations, nyhow since 1914. The contribution from the United States was egligible; and we believe that in dollar value our importations of gricultural products, such as flax seed and rye, which formerly ere produced here in large quantities, exceed total value of our heat and flour exports.

(over)

News today was rather colorless. The weather was fair and reasonably cool everywhere; precipitation during the last 24 hours was inconsiderable, but more showers are predicted in the northwest. With the absence of rain in the southwest it ought to bring an increasing movement again, which undoubtedly had been retarded of late. Hedging sales were not severely felt here, but as an ever-increasing area will start harvesting before very long, this is bound to be feature in a short time, and with the lightness of the trade we hardly think that hedging sales can be absorbed without recession in prices.

Primary receipts are not heavy as yet, only 568,000 bushels versus 914,000 last year, but larger than last week. Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 119,000 bushels. At the close the wheat market was practically unchanged.compared with yesterday.

As far as corn is concerned, there was not the aggressive buying there was yesterday, nor was there any particular active demand for the cash article. Primary receipts continue to be light, 557,000 bushels against 975,000 a year ago. As we anticipated the near-by futures were the strongest, and September corn was actually traded in at a slight premium over the December. The corn market closed about unchanged for the active future.

Oats and rye also showed but very little change.

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June 20th, 1934.

Sterling exchange was somewhat weaker today, but not suffciently to create the fear that the German situation so far has hd a far-reaching effect on English finances. Liverpool cables wre slightly higher before our session opened, which advance, howeer, was lost. Very little attention is now paid to foreign news a everybody concedes that our wheat market for the present will be prely a domestic one, and both European and Canadian quotations cn only have a sentimental effect.

Crop reports generally from the wheat belt are coming in mre favorably;weather is normal, precipitation has been fairly well dstributed of late, and the harvest is gradually extending farther nrthward, which will show up in an increased movement and additiona receipts at terminal markets. Today for the first time in a lng while primary receipts almost reached the same height as last yar, being 962,000 bushels compared with 1,085,000 same day last sason. Stocks at Kansas City, Duluth and Minneapolis so far this wek show a decrease of 89,000 bushels, and makes us believe that by nxt Monday we shall have the first increase in the visible supply istead of a decrease as heretofore. This makes a great difference i operations by cash handlers, as instead of covering wheat futures wen stocks are being reduced, the short interest, through hedges, wll be increased as stocks accumulate. We believe it is this pressre which is being felt now, and that while there is no aggressivenss on the selling side, more or less wheat is being offered right aong. Consequently, we had a gradual decline, which at the close tday amounted to 2 1/2¢ per bushel compared with yesterday.

The pressure on July wheat is not very heavy, as there is no mvement yet from Illinois and Indiana; but when that takes place, w think July is likely to be the weakest future, and there will be mch better carrying charges later on between July and September, and aso between September and December.

The news on corn was rather indifferent, but it is also generall recognized that with the moisture in the corn belt the outlook mst have greatly improved. Some people lay great stress on chinch bgs and other insects, but damage done by same is not comparable wth the deterioration which takes place when drought prevails. The frmer refers more to smaller localities, while absence of moisture i often very wide spread, and most short crops we have had in the pst were caused by lack of rainfall with intense heat.

Oats and rye suffered in sympathy with the decline in other creals.

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CHICAGO June 21st, 1934.

Secretary of the Treasury Morgenthau stated today that the nw silver act will be enthusiastically carried out by the Treasury Dpartment and that silver certificates will be issued against the mtal purchased. Of course, as long as this country pursues a silver plicy independent of the balance of the world it must be considered a an inflationary measure; and this, together with various other lws which have been passed compels us to continually keep in mind, t say the least, that at some future time further inflation is a pssibility. However, it is quite likely that much time will lapse bfore it will become a market factor again either in stocks or in gains, but one can never tell. As a guess, we would rather say tat the dangerous period may not come until July, 1935, when it my be shown that the next budget cannot be balanced.

As we anticipated, receipts in the southwest are assuming tremndous proportions; Wichita received 354 cars, Hutchinson 373, F. Worth 208 and Enid 304 cars. Such a movement we do not believe cn last very long with the size of the crop, although we think the ttal winter wheat yields will be much larger than the government etimated. In our calculations we figure now on a winter wheat crop o about 450,000,000 bushels, and the spring wheat harvest is likely t be about 150,000,000 bushels. So the total would be nearer 60,000,000 bushels than 500,000,000, as some led us to believe after te government report came out with prospects as of June 1st. Howeer, even this quantity would hardly cover a year's normal consnption, without a bushel for export, so in no case should prices o the average rule lower than last year, but probably the level will o higher. It is quite true that at times in 1933 values were lwer than they are now, but recoveries always came very fast; and w now have to take into consideration that possibly something might yt happen to the northwestern spring wheat crop to reduce the yelds. July is always a very decisive month in the Dakotas and Mnnesota, and a return of hot and dry weather there would at least tmporarily bring in many new buyers. Whether this will happen, of curse, nobody can predict, but after the sharp recessions which w have had lately we are inclined to more favor the constructive sde of values.

Primary receipts today for the first time were larger than lst year, 1,169,000 bushels compared with 858,000 a year ago; and w are more and more convinced in our opinion that the visible suppies from now on will increase steadily. The net decline in wheat tday was 3¢ a bushel, and of course it is to be assumed if prices g too low it will somewhat delay farmers' sales. Therefore, at last a moderate reaction ought to be in order.

A statement on the ticker today from Washington that plans to simulate the release of corn stored on farms as collateral against 4¢ a bushel loan, obtained by the producer from the Commodity rporation, had been prepared and will be submitted to the Secretary o Agriculture Wallace for his approval within the next few days, had a very depressing effect. There was a net decline in the corn market o 2¢ a bushel . However, from information which we received personally from Washington, we understand there is nothing contemplated i the plans to prevent each individual farmer from handling his corn a he sees fit. In that case very few of them would have a profit shipping the corn to market. Therefore, we expect no wholesale dmping, and the scare which existed today might not have been jstified. The situation, however, is entirely differenct as far as Dcember corn is concerned, and the new crop prospects are greatly iproving.

Oats and rye followed in sympathy with wheat in the decline.

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FORT WORTH GRAIN AND COTTON EX.

June 22nd, 1934.

On June 5th, Chicago July wheat closed at $1.00 7/8 per bushel.
day it closed at 89 7/8¢, a decline of 11¢. On the same day July
eat in Liverpool closed at 69 5/8¢ and today it closed at 70 1/8¢,
1/2¢ higher. Similarly, Winnipeg July wheat on June 5th closed
78 1/2¢, and today the last quotation was 76 7/8¢, showing that
r situation with respect to Europe and Canada has much improved
ring a little more than two weeks.

This is at least a beginning, even though not nearly suf-
cient as yet to give rise to any hopes for export business. Some-
ing must have developed in Europe to account for the steadiness
road when such sharp declines were taking place here. Possibly
ey have begun to recognize the seriousness of the long drought,
d although this has been partly relieved, there is little doubt
ft in our minds that crops in Europe are very short compared with
st season and hardly up to the average of former years. The
stralian acreage is considerably reduced, with prospects for much
wer yields than in 1933; but Argentina so far is in good shape.

In Canada, the size of the crop remains much in doubt. Precipi-
tion since April 1st, in Manitoba was 3.42 inches compared with
62; in Saskatchewan, 3.47 vs 4.70; but Alberta had more than last
ar, 4.23 inches vs. 3.72. Crop reports are mixed, but the great
ouble in Canada seems to be the enormous carryover. It now looks
if the crop had been again underestimated by about 15 to
,000,000 bushels, for farmers' deliveries have been such that there
uld be hardly a bushel left on farms by now had the last govern-
nt estimate of 250,000,000 bushels for the 1933 crop been correct.
this assumption, we figure that with a continued moderate ex-
rt business from now to August 1st there will be about 190,000,000
shels left for carryover, equal to over eighteen months home con-
mption, including seed.

It is apparent that for the present wheat futures can only be
gured on the basis of a domestic situation. Should our crop
alize 550 to 600,000,000 bushels, there would be, including the
d supplies on hand, plenty for all requirements, but not such an
cessive burden as there was a year ago; prices should be moderate,
t the great depression period ought to be over. We find that
en at the present time, with a big movement on in the southwest,
at elevator concerns have to pay heavy premiums over the futures
fill their space; and no bargains are obtainable as far as the
sh wheat is concerned. After numerous fluctuations today, the
ose was 1/2¢ per bushel higher compared with yesterday.

The corn situation remains complicated on account of the large
ount which is tied up in the country; and no positive statement
s yet come out from Washington as to how this corn will be disposed
. Our own information is that there will be no dumping, that
ttle, if any, will come to terminal markets, and that probably the
eder who needs it very badly can be satisfied. If so, corn during
e month of September might become a very scarce article at terminal
rkets. We look for another good decrease in the visible supply on
nday. Primary receipts continue to make a very poor showing com-
red with last year, being only 404,000 bushels today against
,194,000 similar week in 1933. Shipments were actually larger,
0,000 bushels versus 479,000 a year ago.

Trade in oats and rye was comparatively small and fluctuations
important.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 23rd, 1934.

There seems to be no argument that chief among the several
auses of depression in cereal prices during the last year has been
he extraordinarily large European crops. Broomhall, considered one
f the great authorities abroad, now predicts a reduction in foreign
rops including Russia of 480,000,000 bushels of wheat, 230,000,000
f rye, and almost 700,000,000 bushels of oats and barley. In making
stimates on consumption in Europe, wheat and rye must be figured to-
ether as they are used interchangeably with respect to abundance or
carcity of either. These shorter yields will make a great difference
n the picture abroad, although the price level has also changed
adically from what it was during the depression years. Europe takes
ognizance of the altered conditions in wheat, and while their markets
emained steady in our late decline of ten cents a bushel, Liverpool
dvanced about a cent a bushel overnight.

From now on it will be necessary to watch the outcome in the
outhern Hemisphere and in Canada, although we do not anticipate that
he scarcity abroad will be sufficient to create any demand for our
heat. It is too early as yet to make any guesses as to the crops
n Argentina and Australia. The most one can say at present is that
n the former the outlook so far is for normal yields, while in the
atter there has been damage to the plant and acreages have been re-
uced, so Australia will be less a factor than usually.

Canada will probably be the pivotal factor. There is a pros-
ective large carryover to begin with, about 190,000,000 bushels, and
lthough the early outlook was for rather a poor crop, plentiful
ains the past two weeks have brought improvement and with continued
avorable weather we think it possible that 350,000,000 bushels or so
ight result. July as a rule is of great influence on final returns,
nd should hot, dry weather prevail during that time it would cause
amage, influencing prices and sentiment.

At the present time the heavy movement from those states where
arvest is earliest and best is quite a factor, as hedging sales have
een very detrimental to the price and we have by no means reached
he peak of the movement. We are often asked when this period will
ome. We believe it is easily two weeks away. Some territories,
uch as Nebraska and northern Kansas, have hardly started to move a
ushel of wheat, and Missouri, Illinois and Ohio will come into line
bout ten days to two weeks hence.

In the positive knowledge that our crop at best will not be a
arge one, millers and elevator owners are very aggressive in making
urchases while the movement is on, and we look for very heavy hedg-
ng sales during the next two weeks, which might be detrimental to the
rice during this period unless adverse conditions of some sort in the
eantime should bring in enough speculative buying to act as an off-
et.

The weather overnight was quite favorable, and the long-time
rediction is also satisfactory. Moderate temperatures are expected
t the beginning of the week followed by rising temperatures and
howers about the middle or end. There is nothing in sight to indicate
y radical change over Sunday from normal conditions which exist at
he present time. However, after impetus was given to the market
n account of foreign news there was steady new speculative buying
th hardly any reactions, and the close showed an advance of about
¢ per bushel.

Trade in corn was very moderate; it advanced easily, the statis-
ical position is improving right along, and better crop prospects,
nder these circumstances, are ignored for the time being. Primary
eceipts were only 436,000 bushels versus 1,209,000 last year.

We feel that among all the cereals rye deserves the greatest
onsideration. Our crop is extremely poor, and we are almost de-
endent upon importations. A great many speculators last year ex-
ected sensational advances in rye, particularly as the repeal of the
8th amendment increased the consumption for liquor, but everybody was
reatly disappointed because the whole world shipped its surplus to
his country. We think what was expected last year might happen this
eason. There will be no necessity on part of foreign countries,
th the reduced crops, to pay bounties to get rid of their surplus,
d with normal consumption here rye ought to be a pretty scarce
rticle later in the season.

UHLMANN GRAIN CO.

B: Primary receipts of wheat were large, 1,483,000 bushels com-
ared with 1,316,000 a year ago, and we look for a considerable in-
rease in the visible supply on Monday.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY

TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 25th, 1934.

We do not share the very pessimistic feeling existing at the present time in the business world as to the outlook during the next six months. It is true, the horizon is by no means clear; we are convinced that the foreign business will be more and more difficult with the impoverishment of several countries in Europe, we appreciate the unemployment question is still with us, but we have always felt that any improvement in the agricultural situation is paramount in this country. In our opinion the farmer is better off now than he has been for years. With cattle selling at the highest price in about 2 1/2 years; with hog prices rising almost continuously for ten days or so, and same now bringing 30 to 50% better prices than a short while ago, with wheat, corn and cotton paying satisfactory prices to the farmer, and with the outpouring of government funds for drought relief and to those who had reduced their wheat, corn and cotton acreages and the number of hogs they will raise, we cannot see anything but a largely increased buying power for the farmer with consequent good business in the rural sections, which is bound to be reflected in the cities.

We fear, however, that wheat will be one of the last commodities to profit from a general business improvement on account of the large stocks being carried from the time the Farm Board started its accumulations; also from decreased consumption and an absolute lack of export demand. The processing tax will be in effect one year the end of this week; and the total collections made so far are only about $106,000,000. While we have to take into consideration that the miller is given one month's credit, it is not likely when all the collections are made that they will exceed $120,000,000; or the equivalent of the grindings of 400,000,000 bushels of wheat at 30¢ per bushel. Add to this 80,000,000 bushels for seed, 40,000,000 bushels for feed, it would make a consumption of 520,000,000 bushels; the amount which the farmers are turning into mills for grindings which pays no processing tax, we do not think would exceed 80,000,000 bushels. Consequently, we cannot figure out a consumption of over 600,000,000 bushels for last year, and see nothing in sight for an increase during the coming one.

The Liverpool market was extremely weak, showing a decline of about 3/8¢ per bushel, caused by good precipitation in Australia where the plant had been suffering from drought. In this country the weather has been ideal; it is dry and hot in the southwest where harvesting is going on at a rapid rate, and cool in the northwest with occasional rains-- just what is needed. Under these circumstances a decline in price was inevitable, and the close showed a recession from Saturday's final figures of 2¢ per bushel.

The visible supply, as we had previously predicted, today for the first time in a long while showed an increase of 1,080,000 bushels. This compares with an increase last year of 1,879,000 bushels. Next week we think the increase will be very much heavier, and this piling up of stocks will continue for some time. In 1933 the visible supply increased 26,000,000 bushels from June 24th to September 30th. With a very much larger winter wheat crop this season, as it now looks, and with a much improved situation in the spring wheat territory recently, we would not be surprised to see an increase this year of nearer 40,000,000 bushels before the peak has been attained. Consequently, it will take just that many more buyers to absorb the hedges, and with the timid speculation at the present time they will be hard to find.

Under the circumstances we look for still lower markets unless the weather,and in consequence the crop outlook, should change completely.

Corn receipts continue to be very light again; primaries being 505,000 bushels compared with 1,722,000 in 1933. The visible supply showed a decrease today of 1,592,000, whereas a year ago there was an increase of 2,050,000 bushels; same is now almost 7,000,000 bushels less than a year ago. We look for continued light receipts unless the corn on which the government loaned money should come on the market; but this is not likely to be the case.

The oats visible supply is now also smaller than the previous year by about 4,000,000 bushels; and with the small crop receipts are bound to be light right along, as we have no such reserve as we had in 1933. Rye followed only reluctantly the decline in wheat, but could not resist it altogether.

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MEMBERS:
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UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 26th, 1934.

The world wheat conference has proven a failure and has been vrtually abandoned. The AAA is fearful that the reduction program i wheat will not work satisfactorily as they now recognize that Nture sometimes fails to produce large crops; and they consider it ncessary that reasonable stocks be carried over from season to sason to prevent danger of famine and unbearably high prices in yars of shortage.

It is now suggested that the government try a new experiment, acumulating wheat in years of plenty and storing it on farms, where i can be carried at least expense. We very much fear that there wuld be many disadvantages to such a plan which would crop out after i went into operation. Wheat is not an article that can be kept idefinitely on a farm or anywhere else without deteriorating, and it i impracticable for government agencies to store it. The regular eevator man, with his large turnover, is better equipped for such usiness; and he never keeps the identical wheat from one year to aother.

Furthermore, the accumulation of such quantities of wheat would frever prevent high prices to the farmer, because in time of short ops when he should receive an enhanced per bushel price to make u for lessened yields, the government would sell its surplus and thus revent him from getting what he would be entitled to. We fully appeciate that there is no justification for criticism unless something etter can be recommended, but it seems to us that the best results wuld come from the least interference with the farmers' plans for gowing whatever seems to him most remunerative. The rest of the rld will not continue to raise wheat unless it pays them to do so; ad with our improved machinery, the greater knowledge of the American frmer, and the reduced land values, we should be able to compete wth anybody. Possibly the taxes here are too high as compared with tose paid by the farmer in the Argentine or in Canada, but if so sme adjustment should be made. In the meantime the farmer seems to contented with the prices he is realizing for his products, hogs eing a little higher again today, as well as corn and cotton. The vry early movement in the southwest indicates very plainly that the tndency on part of the producer this year is to market his wheat rther than hold it, being satisfied with what he can obtain at the ment. Probably he is very right in his conclusions. The prices f future delivery do not show entirely how well he is doing, as s wheat is of very choice quality, and of high protein; therefore, i bringing very good premiums.

There was no encouragement again today from abroad; cables wre a trifle lower. The weather continues to be favorable both in e southwest and in the northwest, and threshing returns from linois also indicate larger yields than were expected a while ago. vertheless after an early break there was a good recovery, chiefly sed on the great strength at Kansas City; but the close showed a cline of 5/8¢ per bushel compared with yesterday, hedging sales ain brought too much pressure.

The end of the year statistics show that world's exports of eadstuff, according to Broomhall, in twelve months were only ,000,000 bushels versus 614,000,000 the year before. The conibution from North America was about 200,000,000 bushels against ,000,000 the previous season. It is quite plain that unless the porting nations buy more liberally the coming year there will be enty of wheat for all purposes, in spite of the poorer crops abroad. mary receipts are larger now than in 1933, 1,372,000 bushels ay compared with 1,005,000 a year ago. We think the primary movet will continue to be large for sometime, which means that more ges will have to be absorbed, and this we believe will make it te difficult to boost prices further unless crops in the northt should deteriorate from now on, or unless other adverse news ch cannot be foreseen should become an influence.

Corn acted independently strong in spite of favorable weather the growing plant. Receipts are not picking up, primaries today ng only 436,000 bushels against 1,145,000 last year. The final ures on corn were 3/4¢ higher than yesterday's close.

Rye and oats followed mostly the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 27th, 1934.

Gold holdings of the German Reichsbank decreased another
,000,000 marks this week and are now equal to about $28,000,000,
ly 2.3 per cent of its outstanding paper currency. Frequently
ring the past six months the United States has imported larger
antities than this in one week. It now remains to be seen
ether a country practically out of gold can continue on a gold
sis. It is possible with all the restrictions and the stoppage
payment of foreign interest that gradually a recovery might come
out in the accumulation of this precious metal; but this would
an a tremendous curtailment of imports, with a tightening of the
lt on the part of home consumers in consequence.

This happens in a rather unfortunate period, as undoubtedly
l cereal crops in Germany have deteriorated greatly and might be
to 30 per cent less than last year. Under ordinary circum-
ances this would mean heavy importations from the exporting nations,
d we might have a share in the trade for fats and other hog products;
t under prevailing conditions it is unlikely that any such pur-
ases may be made by Germany.

It is refreshing to hear that monetary and tax matters will
eive serious consideration before the next session of Congress. As
ery one must be prepared to pay higher taxes, it is important that
e assessing be done under a scientific system, and it is well that
e English method is to be thoroughly studied. Although their taxes
e very high, we consider the system, in many respects, an improve-
nt upon ours. One of the chief differences, as we see it, is
at while very high on incomes, a close distinction is drawn be-
een incomes and occasional profits on capital investments. This
ature has the great advantage of not hampering business and makes
sible many transactions which otherwise would not be consummated,
of which would be of assistance to trade in general and to this
ntry at large. It would at once bring in many new buyers for
ures in grain who are so badly needed, particularly at a time when
e crop movement is at its height. At the present time the paying
regular income tax on profits deters them from taking any great
ks. This refers even more to stock traders, who are obliged to pay
es on profits but are not permitted to deduct losses from incomes.

The wheat market opened higher again, probably influenced by
ery bullish report from one of the largest elevator concerns in
s country. Our own reports, however, are not very pessimistic but
icate great improvement in the outlook since the early days of this
th. Next Monday the private crop experts will give us their
nions. We assume that they will be as usual very conservative amd
refore do not anticipate that they will estimate the total winter
spring wheat yield higher than 540 or possibly 550,000,000 bushels
wheat. This will still present the possibility of much larger
al yields, for it is not at all unusual for the last government
ort, in December, to be the largest as compared with May and June
ications.

We have many times called attention to the small flour con-
ption of the last few years, which although probably correct ac-
ding to all check-ups which we have made, was difficult to explain.
of the additional reasons for it, however, may be the extraordi-
ily good quality of the wheat produced in the past two years.
h of it tested in the neighborhood of 62 lbs. or more per bushel
pared with about 58 lbs.in previous years. Naturally, the ex-
ction of flour must be correspondingly greater when quality is so
erior, and a difference of 5 to 7 per cent would easily account
lessened consumption of 25 to 35,000,000 bushels of wheat.
ange to say, the quality this year again promises to be very high,
therefore on the same reasoning our home consumption for all pur-
es may not be above 600,000,000 bushels.

(over)

Primary receipts continue large, 1,881,000 bushels compari with only 1,183,000 in 1933, and we look for a very large increas in the visible supply on Monday. A great many traders feel frie-ly to the buying side, but they are not making much headway on account of the continued hedges; and if our assumption is correct that the visible supply might increase 40,000,000 bushels before reachi its peak it is quite evident that new buyers must appear in large numbers or else we are likely to see further declines. In our opinion, something very sensational would have to happen to attrat buyers to that extent. At the close wheat prices showed practical no change compared with yesterday.

The corn market showed some improvement in values, and is co tinually under the influence of small receipts and diminishing suplies at terminal markets. Less attention is paid to the good crop prospects and favorable weather.

Rye is in a healthy position; oats were practically unchanged.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 28th, 1934.

There has been no great change of late in the world wheat ituation. If anything, the crop outlook has improved because of ood moisture in many parts of Europe where crops were suffering nd in Canada, where prospects now indicate much larger yields han in 1933. In consequence, Liverpool shows no strength whatoever, its last quotations being about unchanged. Corn was the eader today, and on account of its great strength wheat buyers were ore numerous and the market never went as low as yesterday's losing price, showing at the end an advance of 2¢ per bushel for he day.

This past year's total requirements of all importing countries ave been only 518,000,000 bushels up to date, which pretty nearly loses the year, as compared with 614,000,000 last season. The deand was smaller not only from European countries, which took about 1,000,000 bushels less, but also from ex-European buyers, who reuced their takings 43,000,000 bushels. Whether in the coming seaon the requirements are in the neighborhood of 500,000,000 bushels r 600,000,000, there will be no difficulty in satisfying them. On ny kind of normal yields, Argentina and Australia usually have 50,000,000 bushels to spare, and with the present outlook Canada ight easily furnish a like quantity from this year's production ithout reducing its burdensome carryover of approximately 190,000,00 bushels. Danubian and sundry countries, not including Russia, ight probably have 40,000,000 bushels available; then comes the nknown quantity, Russia.

The United States exported about 36,000,000 bushels, and mported 11,000,000, but it is questionable whether anything will e exported this coming season, because it could be done only hrough heavy subsidies. Old supplies are plentiful everywhere n Europe, so there can be no question of any strain or scarcity. owever, our situation must be regarded from a strictly domestic iewpoint. The last government report indicated a shortage of ver 100,000,000 bushels on basis of normal consumption. If our wn reports are correct, Kansas, Nebraska, Oklahoma, and Texas ight raise 50,000,000 bushels more than was in prospect at the nd of last month. Further improvement has occurred in the soft inter wheat belt and in the spring wheat territory also, although t is too early to indicate what the four northwest spring wheat tates will finally raise. At any rate, it is well recognized hat the wants of our domestic mills can easily be filled and there ill still be enough left to furnish more than normal supplies for good carryover in 1935.

Under the circumstances no very high prices are in sight, or any extremely low values, because the pressure of supplies will e nothing like it was the last few years. After all, we have reuced our stocks more than 100,000,000 bushels this year from last eason; and it was this extra burden which had made it impossible to hold sharp advances during the years of depression.

Sentiment at times today became very bullish, and had it not een for the continuation of hedging sales the market would have een in a position to make a very much better showing. The carlot receipts, however, at about ten important points in the southwest ere over 2,300 cars-- considerably over 3,000,000 bushels, and the ovement so far is not showing any let-up, which factor has to be reckoned with at the moment. Primary receipts were 1,925,000 ushels compared with 1,580,000 bushels same period last year. Stocks at Kansas City, Duluth and Minneapolis so far this week show n increase of 36,000 bushels. We look for a very heavy increase in the visible supply on Monday.

(over)

The market for the immediate future will depend much upo the weather; at the present time it is quite favorable in th northwest, and also in the southwest for harvesting operations However, should same change in the three spring wheat states i undoubtedly would bring in new speculative buyers. Otherwise, the actual pressure which will soon come from Illinois and Ind will offset possible further advances in corn.

The extremely high temperatures in the big corn states, such as Illinois and Iowa, were a great influence on corn today Official reports from many stations show a maximum in Illinois and Iowa of over 100 degrees, and some as high as 104 degrees. While it is not claimed that any damage has yet been done, the is no question but that a continuation of such weather for a w or so without any precipitation would be detrimental. Of cour it is not unusual to have very hot weather around the 4th of J but much moisture soon would naturally change the picture.

The statistical position remains exceedingly strong; pri receipts being only 281,000 bushels versus 1,129,000 in 1933. the other hand, cash corn has now reached a price at which pra tically every farmer who had borrowed money from the governmen could pay his loan back and come out about even, or possibly realize a profit. The conclusion naturally is that on any fur ther advances advantage will be taken of this situation; and t 270,000,000 bushels which are now tied up by the government mi be gradually released.

We consider the relief agency has performed a wonderful task; it helped out the farmer, preventing him from selling h holdings at ridiculously low prices early without any cost to government.

Corn closed at the top for the day, showing an advance about 3 5/8¢ per bushel, which is quite sensational.

Oats and rye also sympathised with it, but not to an equ extent.

UHLMANN GRAIN CO.

UHLMANN GRAIN CO.
MARKET LETTER

June 29, 1934

Our President's radio message yesterday had no influence on the
n markets, as it dwelled mostly on facts already known, and explained
beneficial effects of the policies started since the inauguration.
eft the business man in doubt as to whether stabilization of our
ency was contemplated; whether or not the dollar would be devalued
l more; and also whether, outside of the expenditures for relief,
spending in general will continue on a larger scale than the govern-
al income justifies. Consequently, the business man will have to con-
ne to grope in the dark without a positive anchor.

Cotton and corn always were considered our most valuable agricul-
l productions. The importance of corn arose from the fact that it
ished the farmer the means of raising a large amount of animals;
about 15 per cent of the crop is moved to market, the balance being
at home, chiefly for feeding purposes. The number of animals to be
is of paramount significance. Hogs have always been the greatest con-
rs; therefore, the sensational report from Washington indicating the
pest decline in potential pig production recorded during the last 50
s is bound to have great influence on all feedstuffs. The number of
saved in the United States in the spring of 1934 is estimated at
,27,000 head, or 14,595,000 smaller than the number saved in the spring
933. If you add to this figure about 8,000,000 sows, we would have
nsuming population of the hog family of only 45,000,000 head. This
d compare with the number of hogs, including pigs on farms in the
ed States on January 1st as follows:

1934	-	55,976,000	1924	-	65,937,000
1933	-	60,716,000	1923	-	68,447,000
1932	-	59,078,000	1922	-	59,355,000
1931	-	54,399,000	1921	-	58,711,000
1930	-	53,238,000	1920	-	59,813,000
1929	-	56,580,000	1919	-	74,584,000
1928	-	60,617,000	1918	-	70,978,000
1927	-	54,788,000	1917	-	67,503,000
1926	-	52,055,000	1916	-	67,766,000
1925	-	55,568,000	1915	-	64,618,000

The number of cattle and other animals are also likely to be reduced
r the AAA program to increase prices for livestock. This consideration
maller consumption, together with cooler weather in the corn belt
ed a more bearish feeling in this cereal, consequently losing a great
of its yesterday's advance. The close showed a decline of 2 3/8¢
bushel. Primary receipts continue to be extremely light, being
000 bushels today versus 1,514,000 bushels last year; but offers
the country on the advance yesterday were increasing, and we might
forward to a somewhat heavier movement.

Wheat suffered in sympathy with the decline in corn, and also the
inuation of very favorable weather in the northwest, where tempera-
s are cool for the time of the year. Canada is particularly favored
e assume that present prospects there must be the best they have
so far on any day this season. Hedging sales continue on a large
and buying power remains quite light. Primary receipts were
,000 bus. compared with 1,194,000 last year; and the prospects are
very large increase in the visible supply on Monday- much larger
that in the same week in 1933. At the close wheat was 1 5/8¢ lower.

Oats and rye also closed somewhat lower in sympathy with the other
als.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO June 30th, 1934.

Today the market acted the way it did many times during the eek. Frequently now there is a strong tendency early, as the rade in general is inclined to take the bull side and is very hopeul that higher prices will prevail at some time or another during his crop year. However, later in the session the heavy hedging sales ave to be absorbed which bring about a lower close than the preeding day. In the southwest the system of buying has changed greaty of late. Formerly all the elevator concerns sent out post cards, fter the close, offering to make purchases providing acceptances ere received by them before the opening of the session the next day, nd in this way the largest purchases were made over night. Most f the buying now is done during the day either by telephone or at erminal markets where consignments accumulate; and consequently the edging sales are made all day during the session.

Primary receipts of wheat were heavy today, 2,473,000 bushels ompared with 1,445,000 bushels last year. In our experience we have eldom been mistaken when we made estimates on the size of a crop, sing the early movement as a figure for our basis. It is true that his year most of the receipts at the present time are coming from hose states where the crops were the best. On the other hand, it s claimed that there is a tendency on part of farmers to hold back heir sales, and that a great deal of wheat is being stored. The onth of June has been almost ideal for development of the wheat lant in the spring wheat states, also for harvesting of the crop in he southwest. It is only natural to assume, therefore, that the rop outlook should be very much better than it was a month ago, articularly as the government in its estimates makes allowances for reasonable amount of deterioration; and this year the opposite as taken place. On Monday we shall receive the private crop exerts' figures; but whatever they are, we have formed our own opinion rom information received from reliable sources, and would estimate he winter wheat crop about 440 to 450,000,000 bushels or about 45,-00,000 bushels larger than the government's report last month.

Stocks at Kansas City increased so far this week 969,000 bus., ith one day to come; and we look for a very large increase in the isible supply on Monday. In fact, we believe that these increases ill keep up until the spring wheat crop moves, at which time there ill be additions again, and in the end we may reach a visible suply which may not be very much smaller than the one we had last seaon. Premiums in the southwest continue to be high; but their heat is very choice, and both millers and elevator concerns are nxious to accumulate while the opportunity is favorable. We look or another heavy movement next Monday.

The weather report for the coming week is quite favorable; me precipitation and normal temperatures; and no excessive heat is sight. On the other hand, in Canada they expect but little moisure and toward the end of the week high temperatures are expected. owever, prospects in the three provinces at the present time are efinitely better than they were the corresponding date a year ago. recipitation for the month was above the average. Inasmuch as on une 22nd the visible supply of Canadian wheat was reported as 94,000,000 bushels compared with 196,000,000 last year, or very ttle less, it looks as if no great inroads had been made on the revious large carryover.

Corn, oats and rye all closed somewhat higher than yesterday, e trade having no special significance. Receipts of corn, hower, continue to be very light, only 405,000 bushels compared with 534,000 bushels in 1933. It is expected there will be moderate liveries of corn here, but none in wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY

TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 2, 1934

Everybody was waiting anxiously today for the private crop re-
pcts which were released about ten o'clock this morning. An ex-
temely bullish showing was made on wheat. All those who believe
i the correctness of same should not hesitate to make purchases at
th present level. On the average, a winter wheat crop of
3,000,000 bushels is indicated, this being only a trifle more than
the government estimated in its June report.

While we have no elaborate system of guessing the size of the
op, we feel that in the territories where we are extensive buyers,
ere we have many friends and private wires over which information
conveyed to us frequently, the crop outlook improved greatly dur-
g this past month. We would estimate that Texas, Oklahoma, Kan-
s and Nebraska could easily raise 30,000,000 bushels more than the
figures given out by the government in June. We also understand
at independent dealers in Illinois have increased their figures;and
at all the Ohio valley has improved greatly. The spring wheat
op is estimated by the experts at 108,000,000 bushels. Consider-
g that about 50,000,000 bushels are raised on the Northern Pacific
ast and some of the smaller states, only 58,000,000 bushels would
left for the four northwest wheat states. This would mean the
rst failure ever experienced, in spite of favorable weather of late.
would not be the first time that the government's final figures,
the end of the crop year, would exceed those of the private ex-
rts at this time. For the present we prefer waiting until they
e confirmed before acting on same; and we are inclined to believe
at a great many traders, and students of the situation, agree with
because the market declined immediately, causing at least the in-
rence that the estimates were considered too pessimistic.

Primary receipts of wheat continue to be enormous, and they are
obably without a precedent, on the assumption that the winter wheat
op is as short as indicated. Primary receipts today were
745,000 bus. vs 1,922,000 bus. same day last year; and at the same
me we are advised that farmers are holding back and storing a great
al instead of rushing their product to market. This is an addition-
reason why we are somewhat skeptical about the final outcome of the
nter wheat crop. We have not forgotten that even last year,when
l elements were against an improvement, finally the government
ised its own previous estimate. The visible supply also shows a
avy increase, as we predicted on Saturday, 3,711,000 bus. compared
th 1,094,000 bus. last year; and while at the present time it is
ill 45,000,000 bus. less than the same period in 1933, we expect a
adual gain for a long time to come. At the close the market show-
a decline of 2 1/2 cents per bushel compared with Saturday.

We are rather inclined to think that wheat is at least on de-
table ground now, and at times might do much better. Nothing that
have said should be so contrued as to make it appear that we believe
anything like a normal crop. Even an outturn of 550 to 600,000-
0 bushels would be less than our consumption, and there is always
e possibility that some wheat and flour might be exported, although
e prospects at the moment are not very good.

The foreign situation is the most discouraging part. Cables
me lower again today; and the weather in Canada seems to be perfect
the present time.

The corn reports indicate a crop about the same size as last
ar. The carryover this season is very much smaller, therefore the
tal supplies are much reduced; and in addition to this all other feed-
uffs will be more or less scarce. As an offset, however, and this
a very important one, animal production had been reduced and there-
re the chief consumers of our corn are not there in numbers comparabl
the past. Just as we need consumers' purchasing power to buy most
our commodities, if we want to enhance values, so we need animals
we want to find a good market for our corn, oats and hay production.
the meantime there is no actual pressure on the market. Primary re-
ipts of corn still continue to be very light, only 630,000 bus. com-
red with 1,696,000 bus. last year. At the close corn showed a de-
ine of 1 1/2 cents per bushel.

Oats and rye, which very seldom act independently, declined in
mpathy with the other cereals.

The corn visible showed another decrease amounting to 2,139,000
s. compared with an increase last year of 1,908,000; and in con-
quence we have 10,789,000 bus. less in the visible supply than we
d at the same period last season.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
GO BOARD OF TRADE
RK PRODUCE EXCHANGE
ORK COCOA EXCHANGE
K COFFEE AND SUGAR EX.
ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

July 3rd, 1934.

Broomhall today reiterated his statement that Europe will raise
5,000,000 bushels less wheat than last season. This includes
sia. For practical purposes, however, the countries abroad to
ich he refers should be considered separately from Russia as a mar-
 factor. Assuming that the latter should raise 150 to 200,000,-
 bushels less than in 1933, its only effect would be that she
ld export no wheat; but her shipments last year amounted to only
000,000 bushels. It is not likely that she will become an im-
ter, having neither the desire to buy nor the gold to pay; so the
ple would have to either substitute rye or other products or go
hout.

Even a reduction of 250,000,000 bushels in the crops of Eng-
d and the continent should give a much better demand for the wheat
sed in exporting countries and considerably increase the import
irements. For this reason Liverpool futures keep very strong,
ing little attention to our declines of late but being rather dis-
ed to follow our advances. This would be even more pronounced
e it not for the fact that Canada has had extremely favorable
ther of late, and should present prospects follow through supplies
re would be sufficient without calling upon the United States for
 single bushel; on the assumption that Argentina and Australia raise
mal crops. It is yet too early to make any predictions in this
pect. There is at least this satisfaction: that the world will have
uced to some extent the extreme oversupplies which have so de-
ssed markets, factually as well as sentimentally.

For the present, therefore, it is still necessary to size up
 situation and the value of wheat on basis of a strictly domestic
tus. There is no disagreement to the conclusion that our total
duction this year will be less than is needed for normal consump-
n. How much less can only be determined as time goes on. It is
o recognized that the winter wheat crop has been comparatively
ter favored than the spring, exceeding last year's yields 60 to
00,000 bushels, possibly more, so the heavier movement at the pre-
t time is not altogether surprising. In consequence, hedging
es so far have been quite heavy and very depressing and will con-
ue so for some time.

It often happens that just when the winter movement recedes
 spring wheat movement starts, and the serious question will be
ther there will not be a great disappointment this year. B.W.Snow
imates the spring wheat crop of the four states, the two Dakotas,
nesota, and Montana, at only 57,000,000 bus. With good weather it
t turn out better; but should this figure be anywhere near cor-
, after allowing for seed requirements of approximately 17,000,-
 bushels there would be left only 40,000,000 bushels for all com-
ial purposes.

Country mills might use 20,000,000 bushels, so there would be
lly any wheat left for Duluth and Minneapolis. If the 20,000,000
 should come to terminal markets in equal proportions during the
 it would average only 70,000 bushels a day, which of course would
 ext to nothing. Then again, Buffalo mills alone as a rule require
t 500,000 bushels per week, so it is quite easy to see that they
d have to draw upon other sources for their needs. It also hap-
 that old spring wheat stocks are very much smaller than in 1933,
l visible supplies at Minneapolis and Duluth being 28,459,000 bus.
ared with 41,979,000 last year. There is a considerable quantit
ld wheat left in country elevators, so there will be no scarcity,
 of necessity there will have to be a continuous movement from
raska and Kansas to keep the northwest mills going. This has ap-
ntly been anticipated by the northwestern millers, who are the
iest buyers in the southwestern markets; this buying has been on
 a competitive basis that premiums for #2 hard wheat have been
ng until, today, almost any kind of #2 hard wheat was bringing
t 4¢ a bushel premium over the September future at Kansas City.

(over)

Primary receipts, however, were heavy again, 1,857,000 bu
no comparison can be made with last year, when there was a holid
Speculation is at such low ebb that future events are being less
anticipated than present actualities. Therefore, the continuati
of hedging sales at the present time exerted a depressing effect
and the close showed an advance of only 1/2¢ per bushel compared
with yesterday.

Corn weather is extremely favorable; and it is considered
that with the reduction of animals on feed even a moderate crop i
go very far. The government informs the trade that so far repayments have been made on approximately 7,000,000 bushels of corn
stored on farms under seal in accordance with the terms of the la
made available to producers. This still would leave about 263,0
000 bushels to be disposed of. Great uncertainties exist inasmu
as no decision has to be made by the farmers until July 31st as
whether they want to repay the loans or sell the corn to the gov
ment. We feel that unless more unfavorable weather should set
December corn is high enough.

Rye closed a little higher in sympathy with wheat, and o
were about unchanged.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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DITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
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141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 5th, 1934.

The German gold reserve declined again during the past week,
actual holdings now amount to only about 2 per cent of the note
rage. In consequence, its whole foreign trade is very much re-
d. Importations are being curtailed, great uncertainties exist,
there is no doubt that great hardships will ensue. A further
ificance to every other country lies in the demonstration of the
rtance of gold as a medium of exchange, pointing out more clearly
anything else that it is still the standard of values.

It thus becomes important to calculate what present prices
by comparison with those during the past hundred years when the
er gold dollar was the standard of the United States. On that
s Liverpool July wheat sold today at a little over 43¢, Chicago
wheat is worth 52¢, and Winnipeg July 45¢. We are of the
ion that the arbitrary changing of the content of gold in the
ar will affect real values only temporarily, not permanently;
finally commodities will sell about 70% higher than they otherwise
d have sold corresponding to our changed monetary unit. The re-
stment sometimes takes a long time, even years; and although not
diately an important factor it might become so in the end, so it
lways well to keep it in mind.

Under the circumstances the great strength in wheat prices at
rpool is easily understood. Wherever England draws her supplies,
ccount of the great distance from Canada, Argentine and Australia,
and ocean freights have to be paid first, so that the actual re-
ts to the farmers cannot be anything but very small. It is quite
now that Australian acreage will be much smaller than last year,
rgentina so far is doing quite well; and if it were not for the
nued favorable weather in Canada we believe the whole world situa-
could be interpreted as showing a great change, pointing to much
er supplies than during the years of depression.

While our market was closed yesterday on account of the holiday,
pool prices advanced about 1 1/4 to 1 1/2¢ per bushel; and Canada
quoted higher values. Therefore, our opening was on a much bet-
asis than the close of Tuesday; the strength was mostly main-
d, the close showing an advance of 1 1/2¢ per bushel.

Primary receipts are still very heavy, and hedging sales quite
derable. Nearby territory, such as Illinois and Indiana, is
haring in the movement, and over 300,000 bushels were reported to
been purchased for Chicago. It looks as if the shortage of our
will not be severely felt until the spring wheat harvest comes on
arket, by which time winter wheat receipts will be much reduced,
f it is not replaced by then with heavy receipts from the spring
states we may see the end of accumulations.

Events in Washington are developing new programs to cover a
d of two to three years which will stress the desirability of
ing reserve stocks of grain to guard against shortage resulting
possible crop failures. Under such a system larger production
eat would be permitted and the government would repeat the farm
experiment of accumulating large stocks in an effort to stabil-
rices. This plan, in our opinion, would not work in favor of
armer, nor does he want stabilized prices. Last year he had the
fortune to see a rise of more than 50 cents a bushel when wheat
ly advanced to over $1.25. In the past the farmer, like the
ant, has been satisfied to have one or two poor years provided
uld recoup in others; and with the exception of the post-war
d there never was such prosperity in this country as in 1897,when
o a short crop wheat advanced from about 62¢ in 1896 to $1.75 the
season. Had the government then provided reserves against short-
this could not have occurred, and this advance in wheat prices
97 was the beginning of the biggest boom we had had up to that
stimulating everything, and it lasted for many years.

A great many places in the corn belt had been favored with good
pitation, causing lower prices. This is the time of year when we
ly get great scares on account of hot and dry weather, but actual
tions at the present time, together with further prediction of
tomorrow, cause no immediate apprehension. The market at the
was 1/8¢ per bushel higher than Tuesday. The strength at the
was caused in sympathy with the firmness of wheat.

Rye and oats showed just moderate advances.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 6th, 1934.

Opinions always differ greatly as to our normal consumption of t, Lately, through the processing tax and other statistical in- ation furnished by government agencies, we shall gradually be to arrive at more accurate figures. The Census Bureau gives output of merchant mills, which produce 94.9% of the flour, for first eleven months of the season as equivalent to 397,000,000 els of wheat. If we add to this 5.1% of the mills which do not rt, we would have a consumption of 418,000,000 bushels for eleven hs, or 456,000,000 bushels for the year. Adding to this 80,000,- bushels for seed which on a reduced acreage would be the maximum, 40,000,000 bushels consumption for animals, there would be a total ppearance of 576,000,000 bushels. Estimating 25,000,000 bushels exports after deducting our imports, we arrive at a total con- tion of 602,000,000 bushels. Should this be anywhere near cor- , our carryover on July 1st would be as large or larger thanany ious estimates. As near as we can see, the only mistake that t be in this calculation would be the amount of wheat fed to als of which there are no definite records. But on account of high prices which had prevailed and the low values of feedstuffs, s assumed that consumption from this source was at a minimum.

Liverpool was a trifle lower today, but not sufficiently so to cate any change in sentiment. Our opening was largely influenced plendid rains in our northwest and in Canada, as well as in the belt; and a decline in that cereal had a sympathetic effect on . However, at no time did the decline take on serious propor- s, and sentiment generally is leaning to the bull side.

There are some factors in the situation this year which do not narily exist, and which are rather in favor of the bull. One is extremely small premiums for the further deferred future; and ving charges are easily 50% less than last year, or any other nor- year. Another feature to be considered is the very choice qual- which is raised this season; and this will help the buyer in two First, whether he be a consumer or a speculator, he is sure deliveries will be of such high quality that they will much ex- the requirements of the grade contract. Of course, it is always tageous to own such an article rather than one where the quality st a line grade. It undoubtedly will be the intention of every mer, every miller and every elevator man, whether at terminals the country, to carry as much wheat into the next season as is ble, because it is not likely that such high quality will be ced again in 1935, this season being a great exception in this ct. Wheat which is now being delivered on contracts in any t ordinarily brings a big premium over the prevailing future.

Considering the favorable weather, the heavy primary receipts, he continuation of hedging sales, the wheat market made a very showing, with early declines being partly recovered, and at the was 3/8¢ per bushel lower. Primary receipts were 2,288,000 ls versus 1,377,000 a year ago. Stocks at Kansas City, Duluth inneapolis so far this week show an increase of 1,724,000 bus., indicating a very heavy addition to the visible supply next Mon- . There has probably been some let-up in the southwestern move- t but it will take some time before new farmers' deliveries de- e sufficiently to be offset by millers' purchases.

The rains in Iowa and Kansas were very beneficial for the best opment of the corn plant; there was also some moisture in ska and Oklahoma, where badly needed. In consequence there was rp break at the opening, but the comparatively light receipts at al points helped sustain values. Primary receipts today were 511,000 bushels against 1,856,000 in 1933. Finally the old situation became more important than the new-crop outlook. At lose the corn market showed a decline of about 1¢ per bushel e new crop futures, but only 5/8¢ for the September.

Oats and rye also lost moderately compared with yesterday.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 7, 1934

The trade has been receiving more favorable crop reports dur-
ast few weeks, and Canada has probably benefited most by recent
. One authority in Winnipeg states that while high tempera-
would be desirable to bring crops along faster, present con-
ns nevertheless could not be improved. We also are receiving
optimistic reports from Montana, where in isolated cases they
of very large yields in prospect. Sanford Evans, under date
ly 4, writes that in the prairie provinces wheat is heading
ally under conditions favorable to normal development in the
ity of districts and general prospects have continued to im-
during the week.

The same authority figures that on basis of the government
t there is available for export as of June 30, 196,000,000
ls of wheat. Had the crop not been larger than estimated,
so contends that there should be only 1,233,000 bushels of
left in farmers' hands on June 22nd. However, one week
farmers' deliveries amounted to 3,377,000 bushels and at
nt are keeping up at the rate of 300,000 to 400,000 bushels a
. So it is easy to see that the crop was underestimated at least
0,000 bushels. This quantity is probably all that will be
ted during the month of July and consequently there should be a
-over of Canadian wheat on August 1 of about 195,000,000 bushels.

Inasmuch as we must now assume that the Canadian crop produced
year 285,000,000 bushels, it is not unreasonable to expect that
etter prospects the outlook is certainly for at least 350,000,000
ls, and with good luck it might even reach 400,000,000. If this
case, with the prospective carry-over it would give that country
ies that would necessitate tremendous exports to Europe. This
ly is one of the reasons why Liverpool moves so slowly, even in
f adverse conditions in continental Europe and probably in
 as well.

Today's foreign markets again showed great indifference, and
eft our own market without much trend at the opening. Overnight
r was mostly favorable, temperatures having moderated and good
reported in many sections of Texas. There is the feeling
lly that even with a better crop outlook than was earlier antic-
we shall have a smaller quantity again than will be needed for
ic use. This factor, together with the fine quality of wheat,
is commanding premiums, imparts a certain bullish sentiment to
rket. Those who believe in higher prices contend that the mar-
taking the present hedging load very satisfactorily and that
receipts drop off any improvement in demand will mean removal
ges, which of course would have a stimulating effect upon prices.
ieve that between now and the peak of the movement the visible
will probably increase another 30,000,000 bushels; and until
ime, unless other elements present themselves, it appears some-
oubtful to us whether sharp advances can be readily maintained.

On Monday we expect that receipts will be very heavy again and
sible supply should show a large increase. Primary receipts
at amounted to 2,581,000 bushels against 1,495,000 last year.
nces were nil, which was also the case a year ago. Stocks so
Kansas City, Duluth and Minneapolis show a net increase of
000 bushels.

Corn is being influenced by good weather, on the one hand,
is bearish on the December delivery; but breaks do not extend
r because the amount of corn under government's seal is
iently large to make movement to market slow. This means
shing supplies at terminals with the result that the Septem-
ivery tends to hold the entire market somewhat in check.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
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DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 9th, 1934.

Whether for good or evil it is an indisputable fact that the
inistration has succeeded in curbing speculative commitments both
n stock as well as on grain exchanges. Purchases of Chicago grain
ures last Saturday for wheat, corn, oats, rye and barley amounted
17,633,000 bushels compared with 79,299,000 same day last year,
n they were exceptionally heavy. Trading in stocks at New York
the first three hours averaged about 60,000 shares per hour, which
probably at an unprecedentedly low rate. However, as with every-
ng in life, we feel that there are two sides to all questions.
le much may be said in favor of curbing excessive speculation, on
other hand the discouragement such as is existing at the present
e and the dearth of buying orders is undoubtedly detrimental to
price structure of wheat, particularly at a time when same is
ing in volume. There was an increase in the visible supply today
over 8,000,000 bushels, the largest part of which naturally had to
hedged. Of course, without sufficient buyers to carry this wheat
il millers and other consumers might want it, it is bound to have
epressing effect. We have pointed out right along that regardless
conditions these continuous hedges which are coming into the mar-
e, with the absence of speculation, will be an important factor as
g as they last. In order to form reasonable conclusions as to
probable trend of prices, it becomes important to guess how long
s heavy movement is likely to keep up. We, ourselves, think that
her this or next week will see the maximum, but it will remain of
r proportions probably for another three or four weeks. If then
results of the spring wheat crop are as disappointing as we are
led to believe, the picture may change at a time when ordinarily
spring wheat movement replaces the decreasing winter receipts.

Primary receipts were heavy again today 3,172,000 bushels com-
ed with 2,508,000 last year; and the visible supply is now 86,000,-
bushels versus about 123,657,000 in 1933 or almost 38,000,000 bushels
es. We expect these two figures will continue to narrow, and with a
h larger winter wheat crop than a year ago the visible supply may
n weekly for a long time.

As far as the world's situation is concerned, there is no change.
is true, European crops cannot recover much of the damage which has
en done so far; but on the other hand weather conditions in Canada
still favorable, and if that country should raise between 350 and
,000,000 bushels, with its big carryover, it is bound to be a
e seller all during the next twelve months. With the further ad-
ions of offerings from Argentina and Australia all importing
ntries can easily be supplied with their requirements.

World shipments started very poorly. During the current twelve
ths we are looking forward to much larger world shipments than last
r. The first week they were only 8,500,000 bushels against 10,-
,000 previous week, and almost 10,000,000 bushels same period a
r ago.

At the close the wheat market showed a decline of 1 3/4¢ per
hel.

The weather continues very favorable for corn; there were good
ns in Iowa, and temperatures are satisfactory in the corn belt, As
consequence, there was a weak opening, with no buying spirit dur-
the session, and the final decline was 1 1/4¢ per bus. However,
statistical position of the old corn remains favorable. Primary
eipts were only 560,000 bushels versus 2,127,000 bushels in 1933.
visible supply shows a decrease of over 1,000,000 bushels, whereas
t year it increased 3,247,000 bushels. Stocks are now reduced to
000,000 bushels, or 15,000,000 bushels less than previous season;
only a short time ago they were about 30,000,000 bushels larger.

Oats and rye followed the trend of the other cereals, closing
er. Much speculation has arisen as to the amount of oats pur-
sed for importation, and whether or not in the future, with our
rt crop, we shall become an importer of this cereal on a large
le during the next twelve months. All we can positively confirm
the present time is that we are practically on an import basis, and
all likelihood at least one cargo was worked to this country, and
sibly more.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO

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MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

July 10th, 1934.

The steadiness abroad and unchanged Liverpool cables, while
e had a sharp decline yesterday, reversed sentiment here, and
ices started somewhat higher than yesterday. Another contribut-
ng factor during the day was the fact that hedging sales were
ewhat on the decline and interior receipts are considerably
aller than last Tuesday. Primary receipts are still big,
273,000 bushels compared with 1,857,000 last week, 1,372,000
weeks ago, and only 1,043,000 bushels last year. But these
imary receipts represent the unloadings and if the interior move-
nt lets up now, they of course will also be much smaller. It is
nconceivable that on the size of the crop, which is reported as
ll as only a trifle over 400,000,000 bushels for winter wheat,
h a heavy movement could continue for any lengthy period. The
rength was maintained during the session and the close showed
advance of 1¢ per bushel over yesterday. Trading, as well as
uctuations, became rather light after the first excitement was
er, everybody preferring to take a neutral stand until the govern-
nt report comes out this afternoon at 3 o'clock. Should the
gures which will then be given out exceed the estimates of pri-
e experts considerably, although they might still indicate a
ry short crop, the trade would construe them as bearish; and
e versa, should the estimates fall below their guesses, a
llish construction would undoubtedly put prices higher tomorrow.
erefore, it is not safe to make any predictions until this news
out.

The corn market acted independently strong today in spite of
e fact that the weather continued to be very favorable. We think
e price of the old crop futures will depend very largely upon
e action which the government will take in regard to the corn
which they advanced money, and whether this corn will come on
e market or will be tied up. The actual reserves outside of this
rn which is in cribs now is extremely small; and we could foresee
der certain circumstances how old corn might be very scarce and
ing higher prices. However, as far as the new crop is concerned,
ould it prove to be an average one, at the present time it looks
at way, we cannot forget that 40 per cent of the corn is used
hog feeding and that the pig crop is 28 per cent less than last
ar; consequently, the demand will be extraordinarily poor.

In the meantime corn receipts continue to remain very light,
maries today being only 518,000 bushels compared with 1,312,000
shels the previous year. However, there is more of a tendency to
ve whatever corn is left on farms and ship it to terminal mar-
s. The close showed an advance of 1¢ per bushel.

Oats and rye benefited from the strength in the other cereals,
closed considerably higher.

UHLMANN GRAIN CO.

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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 11th, 1934.

The government report issued yesterday after our session had e closed was one of the greatest surprises the trade experienced in lng period. As an alibi for what now must be construed as poor tmates on part of both the crop experts and the private trade, it s be mentioned that for the first time in history, as far as we c, the government in its July report reduced the acreage to a lower gre than the one given in the June report. Of course, nobody is position to keep a sufficiently elaborate staff to know about eacreages, and the government figures have always been taken as drate. The June estimate of winter wheat left standing was ,75,000 acres, and has now been reduced to 32,485,000 acres. Con- gently, on the old acreage the estimate would have been much higher a last month's, and very nearly in line with private estimates. eefore, the trade must figure on a winter wheat crop of 394,000,000 sels, unless it should be raised in August, or in December when nl figures are given out. From past experience the December es- tes are usually larger than the July figures, as demonstrated by efollowing:

	JULY REPORT	FINAL REPORT	(in Million bus.)
3	496	527	31 more
3	737	744	7 "
3	869	932	63 "
3	807	857	50 "
2	834	812	22 less
2	800	914	114 more
2	854	878	24 "
2	767	831	64 "
2	680	676	4 less

In analyzing the report the most striking feature is the low tmate given for the four northwestern spring wheat states of only lttle over 48,000,000 bushels spring wheat, so including 6,500,000 sels of Durum, there would be a total of 55,000,000 bushels. De- cing from this the amount of seed which will be required, and the atity country mills will need, there will be practically nothing f for the big mills at Minneapolis or Duluth, or for the spring et mills at Buffalo.

Considering the total estimate of the combined winter and ing wheat crops, 484,000,000 bushels, or about 116,000,000 bushels s than normal consumption, the amount carried over from previous as becomes a very important item. Opinions on that subject will ninue to vary much until we get the final government figures. How- e, in the excitement the trade paid no attention to the fact that r reserves were estimated in the report at 60,000,000 bushels, ih is probably the largest percentage ever held over from any one c - over 11% - and about 20,000,000 bushels larger than the private rts made it. The commercial visible supply on July 1st was ,00,000 bushels, making a total of 140,000,000 bushels. Last year ecountry elevators had about 61,500,000 bushels, the big mills ,00,000 bushels, and there were about 16,000,000 bushels in transit, total of 173,000,000 bushels. If stocks this year were as large ast year, which of course they are not, there would be a quantity 13,000,000 bushels. We are convinced the country elevator stocks esmaller, but the big mills have large supplies; so we still feel a the carryover will probably be 275,000,000 bushels, and they t be 285,000,000, which would correspond with deductions arrived rom last year's production, consumption, etc.

Primary receipts today were quite heavy, 1,818,000 bushels com- rd with 1,311,000 a year ago; and country offerings, particularly

(over)

from Illinois and Indiana,for Chicago were extremely heavy, being c 830,000 bushels, the largest so far this season. If prices are maintained for a while it is quite likely that large stocks will now be accumulated in this city.

Right at the opening wheat sold at the limit price for the da, but declined several times, permitting purchases to be made, but fo an hour or so before the close buying orders could no longer be file and many of them are likely to be held over for tomorrow. This mak it safe to predict that if nothing unforeseen happens we may have a higher opening again tomorrow.

Liverpool, which must have also b een greatly surprised at th smallness of the government estimate on the crops, advanced about per bushel; and Winnipeg advanced more than we did. During the session after purchases could not be made in Chicago orders were sent the Canadian market, which naturally had a great strengthening effe there. The situation in Canada, however, is entirely different from what it is here. According to Sanford Evans, one of the most reliab statisticians, there were left in Canada at the end of June about 210,000,000 bushels of wheat, plus whatever farmers had on hand at that time. As the exports during the month of July will probably b very small, that market being so much higher right along than eithe Argentina or Australia, it is quite likely that Canada will carryov about 200,000,000 bushels. Their crop is progressing nicely, and i appears as though an estimate just now of 350,000,000 bushels would be fair, with a possibility of larger yields should the present fav able weather continue.

The corn report, and in fact all figures given out on feedst were equally as bullish as on wheat. Nobody expected as low an estimate as was given, and only twice in this century has such a small yield as now indicated been harvested. The weather for corn continues to be favorable, the par value on this cereal will be rai and it is most likely that the final result will be better. Furth more, if one takes into consideration that the amount of feed requi on account of the shortage of animals, will be extremely small, and that at the present price there will be a heavy movement, as corn h by the government probably will be released, having a good profit i all that was held in cribs, present prices may be high enough.

Oats, rye and barley all showed great strength for the same reasons as influenced the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

July 12, 1934

Inasmuch as the late advance of about 7¢ a bushel during te last two days was caused by the extremely bullish government rport, it is well to analyze it in all its phases. The estimate mde of 484,000,000 bushels for the combined winter and spring weat crops is 12,000,000 bushels less than the estimate made on te same day last year, but 43,000,000 bushels less than the fnal report, as in the meantime figures had been raised 31,000,000 bshels. This happened in spite of continued unfavorable weather. Wether or not there will be a repetition this year, time will tll. As the spring wheat acreage left for harvest has been redced to about 10,500,000 acres whereas a year ago it was 1,500,000 acres, it is not likely that even the present favorale weather in the spring wheat territory will make a very rdical change. The situation, however, is different in the wnter wheat section, where 32,500,000 acres are standing compred with 28,500,000 acres in 1933, or 4,000,000 acres more. I cognizance is taken of the better threshing returns as we ceive them, an additional bushel per acre would make such a difrence that final figures as usual should show up considerably btter. Nevertheless, whatever the result, we have to be prepred to cut into our carry-over about 100,000,000 bushels more r less; so that at no time will stocks be extremely burdensome.

In Canada the picture is different. The government reprt issued theregiving a condition of .82 versus .77 last year idicates a harvest for the three western provinces of about 30 to 315,000,000 bushels. The various conclusions are arrived a by whether one figures on basis of average crops during eiter the last five or ten years; and it is not quite plain what bsis is used by the reporting agency. The acreage is supposed t be 2,000,000 bushels less than a year ago, but this also is nt yet positive, as no accurate figures are published by the gvernment, who make their estimates on the intended planted aea. Last season from this time on weather in Canada was extemely unfavorable; in fact, so much so that the condition was rduced 20 points during the month of July. For the first twelve dys of this season weather has been favorable, and the crop has nt only not gone back but the chances a re it has improved. Terefore, the probability of a much larger yield is in sight, prticularly when it is considered that last year's crop was underetimated by at least 15,000,000 bushels, and all of Canada raised esily 280,000,000 bushels in 1933.

This year's outlook for all of Canada now is variously iterpreted from 305 to 325,000,000 bushels. Considering that Cnada only has a population of about 10,000,000 people while w have 125,000,000 inhabitants, a final yield there of 350 to 0,000,000 bushels would certainly make a bad showing for us wth our crop of close to 500,000,000 bushels. If any reduction i wheat acreages is necessary, it certainly shows very plainly were it should take place.

Primary receipts today were very heavy again, 2,170,000 shels vs 1,294,000 a year ago; and for the first twelve days tis month they were 23,178,000 bushels against 11,644,000 in 133, or about double. As a general rule, primary receipts for te twelve months average about 50 per cent of the crop, and if tis year is no exception we have received in twelve days practcally 10 per cent of a year's receipts. A superficial conclusin drawn from this would be that the crop must be larger than nerally expected. Perhaps this reasoning would be premature, cause there is no question that the movement was earlier than

(over)

usual, particularly from those states where the heaviest yields are to be realized. Unless we get a quick let-up in farmers' deliveries, it would seem very much as though yields were bigger than anticipated. The movement eased off considerably today, in interior points in Kansas, Oklahoma, and Texas, with heavy sales made again for Chicago: probably 500,000 or 600,000bushels; and it looks as if Chicago might receive over 10,000,000 bushels this month. This would have the tendency to widen carrying charges both from July to September and from September to December.

Liverpool responded very poorly to our advance of yesterday, even closing a trifle lower. Winnipeg also was lower.

Corn, oats, rye, and barley all had a declining tendency, and this made it very difficult to maintain wheat values. The close showed an advance of only 1 cent per bushel over yesterday.

Corn weather is extremely favorable for the best development of the plant. Farmers are selling freely, the demand is very limited, and with the general expectation that the next government report will show higher estimates, the feeling is very bearish now. Even if the condition should remain the same as the par value would be raised, the next government figures probably could easily be 100 to 150,000,000 bushels more than they were this month. Primary receipts still continue light, 480,000 bushels today against 1,620,000 last year; but from now on comparisons should be much more favorable. At the close the corn market was about 2¢ per bushel lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

July 13, 1934

It is reported that the railroad companies will ask for n increase of 10 per cent in freight rates. This is quite omprehensible: their labor costs are very high; coal prices ave advanced considerably, and everything else which they have o buy such as equipment, etc. Whether the advance will be ranted in total or partially, there can be no question that ooner or later higher freight rates will have to prevail in ustice to the carriers. This is extremely important to our hole commerce, as any advance in freight rates will automatically bring higher prices for almost every commodity reardless whether it is raw material or a finished product. We ade the prediction, at the time when the gold dollar was dealued, that after everything else had advanced railroad freight ates would have to follow, again starting a circle for higher rices all around, and in this way further inflation will come bout.

What the higher cost of living will finally do in the way f bringing happiness to the people is very questionable, particulary as long as our export trade remains at a minimum. We have lmost voluntarily given up raising wheat for export; and our eat exports have diminished on a large scale. While we may be elf sustaining in a measure, real prosperity probably will not e in sight until our world trade is enlarged.

The Agricultural Adjustment Administration furnishes the nformation that farmers of the United States participating in he adjustment program for wheat will receive total benefits f not less than $102,000,000. If we assume that about $6,000,000 as spent for subsidizing exportation of 30,000,000 bushels of heat from the Pacific northwest at 20 cents a bushel loss; and dding a maximum of $12,000,000 for expenses, would lead us to he conclusion that the government collected about $120,000,000 rocessing tax. This would be 30 cents a bushel on 400,000,000 ushels. Further assuming that our flour consumption in this ountry is about 480,000,000 bushels, it would seem that about 0,000,000 bushels escaped the processing tax, farmers being xempt on their own raisings consumed by their families. On his basis, adding 80,000,000 bushels for seed and 40,000,000 ushels for feed would make total requirements of this country 00,000,000 bushels. However, the figure of 80,000,000 bushels, hich were exempt, looks very high to us. If that should prove o be the case, then our consumption during the past twelve onths has been still less.

Liverpool cables were about 1/2-cent lower; and the Winnieg market during the session also showed great weakness at times. his is quite comprehensible as the world situation is one thing, nd our domestic situation another. It is now quite plain that he Argentine crop was at least 20,000,000 bushels underestimated; he Canadian crop 15,000,000 bushels; and the government reorts now the Canadian consumption for all purposes only 106,00000 bushels, whereas heretofore the assumption was for 120,000,000 ushels. The Canadian crop is also getting along very nicely. uropean countries, which have poorer crops than last year, conidering the very large populations like Germany and Italy, have ot the means to buy on a liberal scale. Therefore, England, hich takes about 40 per cent of all European import requireents, is not at all concerned about her supplies. The domestic ituation is adjusted so that anything unforeseen would stimulate peculation; although it must be said that at the present time it s very timid, and therefore difficult to bring about and hold trong advances. We are still confronted with heavy hedging

(Over)

sales just now, in consequence of which prices declined at one time almost a cent a bushel from yesterday's close; but a recovery took place, the close showing 3 1/8 cents advance.

One of the great strengthening features today was a further let-up in the southwestern movement; although primary receipts still show 2,084,000 bushels compared with 1,630,000 bushels last year. Sales to arrive for Chicago were much smaller than the two previous days, consequently less hedging sales; but this, in a measure, must have been expected as Chicago so far received almost 4,000,000 bushels of wheat this month, while the total receipts of July last season amounted to only 3,200,00 bushels. The northwestern millers are getting more anxious for their supplies and were heavy buyers of both cash and future in the Kansas City market which gained considerably on us, and was one of the chief incentives here for accumulating larger lines.

The trade will continue to remain nervous and sharp fluctuations, up and down, are to be expected as long as there is no actual scarcity or a great over-supply.

As far as corn is concerned, the extreme heat in the southwest was more of a factor than the more favorable weather in Iowa and Illinois where there were good rains. There are certain territories, such as Texas, Nebraska and Kansas, which at the moment will suffer until there is some moisture. Receipts continue to be light, 429,000 bushels compared with 1,891,000 last year. However, we expect a heavier movement now.

Oats and rye also sympathized with wheat; but rye followed only reluctantly because importations from Europe are feared.

UHLMANN GRAIN CO.

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

July 14th, 1934.

Today was the fifth day this week that wheat advanced. t started even before the government report came out with its bullsh figures, stimulation coming from the high premiums which were eing paid in every market. The situation in this respect is uite unique. The quality of the wheat everywhere is so excellent hat it attracts buyers both from the elevator element, who very arly had a chance to fill up their space with such a choice rticle; and millers, who naturally also wanted to be sure that hey have plentiful supplies of quality wheat, which ordinarily annot be obtained at all, except by paying fancy prices. The overnment report was so bullish that foreign conditions were igored. Whether or not there will be a final raise in the estimates, is clear we shall have to figure on domestic values for the next elve months. Country movement is still keeping up very well, ut this is quite natural because the higher prices have furnished uch an incentive to the farmer to cash in on his raisings that the rops are hurriedly disposed of. So we again today had primary reeipts of 2,257,000 bushels with only 1,587,000 last year. Stocks Kansas City so far for the week show an increase of 1,544,000 ushels. Nevertheless, we look only for a reasonable increase in he visible supply on Monday, much less than last week, because the orthwestern markets, where receipts are very light, are still dereasing their stocks; and there hardly will be a time this year when ncreases are likely there. The weather really plays no important art at the present time, as the bulk of the wheat is made, and hile there might be some improvement or deterioration in the four orthwestern spring wheat states, the remaining acreage is so small hat no great changes are likely to take place.

Liverpool wheat was about 1 7/8¢ higher corresponding the advance at Winnipeg. Not much attention is being paid to hat,because the world situation is not particularly strong, while r domestic one is. At the close we had an advance of 1¢ per shel.

Corn continued to be very strong, the chief influence ing the extremely hot weather in the southwest, and while Nebraska d Kansas are not as important as Iowa and Illinois, yet the reteration of the fact that the crop is going back in those southstern states was the dominating factor. There were good rains ain in Illinois and Iowa and we think in the main corn belt this real is doing all right. Receipts continue to be light, only 0,000 bushels compared with 2,158,000 the previous season on the me day.

Rye was weak all during the session and the fact that e newspapers had talked so much lately about importations disuraged new buyers. However, we don't think that at the present me we are in line with any other country.

Oats were somewhat higher in sympathy with corn.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 16th, 1934.

After more or less inactivity, the wheat market developed
at strength last week and advanced nearly 10¢ per bushel. The
ernment estimate for an U. S. crop amounting to less than 500,000,-
bushels furnished sufficient surprise to the trade to reverse
lier sentiment. We have pointed out in previous market letters
the July estimates mostly under-run the final yields; but as no
ther winter wheat forecast will be published until next month, the
le will adhere to the recent government figures until new estimates
furnished. There has also been inspiration from the fact that
opean crops hurt by their drought have turned out much smaller
last year. There seems to be one rather sad error in the grain
le, namely: of making comparisons with just the previous year.
this is done we find that the production estimates for twenty-
ee European countries show prospective reduction of around 340,000,-
bushels of wheat as compared with 1933. This, of course, is very
ge; but the relationship is with one of Europe's best crops. Com-
ed with an average production for the years of 1929 to 1933, the
ction is only 115,000,000 bushels. The foregoing figures are
lished by the Bureau of Agricultural Economics; and the same
cy also states that carry-over stocks in France are generally be-
ved to be around 90,000,000 to 105,000,000 bushels. Even on basis
340,000,000 bushels reduction, compared with last year, the nine-
importing countries account for only about 210,000,000 bushels,
e the Danube Basin surplus countries report a decrease of up-
s of 130,000,000 bushels. This probably throws some light upon
apathy of the European buyer and explains, in a measure, why Liver-
July wheat is selling today at only about 75 cents, a price
h includes almost as a minimum 10 cents shipping and other charges
secure wheat at some other part of the world. This English price
mportant as Britain imports about 40 per cent of all the wheat
n by European countries, and naturally any anxiety on their part
d easily influence Continental prices.

Our opening this morning was firm, as temperatures over the
-end had been very high in the southwest, and it was thought that
ain damage to corn was imminent. As the September delivery of
t approached the dollar mark profit taking set in, and with
tically a dearth of shorts reactions were quite rapid. The visible
ly showed a huge increase of 9,665,000 bushels for the week, as
ared with only 1,736,000 last year; total stocks are now about
00,000 bushels smaller than they were at that time. The primary
ment was 2,792,000 bushels against 2,416,000 in 1933. Speculators
are bullishly inclined took some comfort in the fact that the
ment, which started very early this year, had about reached its
, and that from now on any increases in the visible will be on a
smaller scale.

Corn was influenced on the one hand by the extremely high tem-
tures in the southwest, which affected the December delivery the
. However, rains in Iowa and Illinois tempered sentiment some-
, and with pretty fair bookings from the country best prices of
day were not maintained. The visible supply decreased 1,359,000
els while last year at this time there was an increase. Total
ks are now about 20,000,000 bushels smaller, and it was not long
that our supplies were very much more than they were in 1933.

Ryefollowed the action of the other cereals, but it is
resting to note that production in 19 European countries is es-
ted from 670 to 700,000,000 bushels. This compares with last
's large crop of 900,000,000 bushels, and with a five-year average,
usive of Russia, of 845,000,000 bushels. This shrinkage in con-
tion with the smaller wheat crop abroad would indicate to us that
ill not be called upon to absorb rye importations as was the case
year. Therefore, December rye at a discount of almost 28¢ under
t looks attractive, and with our own rye crop very small we be-
e that this cereal has merit. The demand is greater since repeal,
what should have happened last year had there been no Polish im-
ations might easily find fulfillment this year as the season pro-
ses.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 17th, 1934.

For the first time in several weeks Liverpool displayed rather
ronounced strength and their quotations were considerably strong-
hile they had been expected weaker. As we pointed out yester-
their price level is very cheap, even compared with Winnipeg,
July wheat currently quoted around 77¢ suggests that despite
er crops abroad there is very little anxiety regarding importa-
s.

With one or two small exceptions, wheat yields abroad will be
than last year, but it must be borne well in mind that the 1933
was a bumper. Our friends abroad tell us that it is well not
e too optimistic about the possibility of demand from Europe, be-
e of its reduced yields. Facts are far better to go on than
ries, and the principal countries in Europe will not import one
e more wheat than they are positively obliged to do. This in
opinion will work the greatest hardship upon countries which
it necessary to export their surpluses. We have in mind partic-
ly Canada, whose population is insufficient to take care of much
than half of its carryover from last year's crop. It is still
e likely that the yields for the western provinces will run as
as 350,000,000 bushels, and if this is borne out it will pro-
a much greater surplus to ship abroad than was exported last year.

In this country the situation is different, and we are not de-
ent upon foreign shipments in determining prices. Were it not for
farm board accumulations which started piling up after 1929, wheat
easily be selling around the $2.00 level now. However, we feel
is easily 275,000,000 bushels remaining from past crops, and
, together with a new crop even smaller than domestic require-
, will still give us sufficient supplies to prevent famine prices.

News from the southwest today commented on the continuation of
temperatures. These are not only seasonally high, but prolonged
have probably never seen them in recent years. The thermometer
ngs of over 110 degrees Fahrenheit in some localities must
ssarily cut down corn yields in Kansas and Nebraska districts.
attracted considerable attention, and buying of the yellow cereal
iately after the opening had its sympathetic effect upon wheat
s, which remained fairly strong throughout the session.

Canadian pressure from the new crop has not yet started; and
the Pool agencies holding a considerable portion of old supplies,
ans that whenever export business develops hedges are removed
e open market, which apparently creates the impression of strength.
matter of fact, Winnipeg today was practically up the same ex-
as we were, and at the opening their advance was even sharper.
new Canadian hedges really start in earnest we feel that demand
will not cushion the market sufficiently, and that absorption
by government interests will have to take place unless there be
fice in prices. When that time comes we feel that any great
ess in Winnipeg will have its sympathetic effect here.

Primary receipts today were somewhat smaller than last year,
,000 bushels compared with 1,622,000 in 1933. The southwest
ent is falling off and arrivals from now on should be on a small-
ale. Stocks at Kansas City, Duluth and Minneapolis show a net
ase of 284,000 bushels, as northwestern stocks are still diminish-

Corn, as stated above, responded more to bad news than to good.
overnight in parts of Illinois and Iowa were almost entirely ig-
. However, on the advance there were tremendous bookings of this
l to arrive; estimated at about 2,000,000 bushels. The Dept. of
.A.A. handling corn loans has admitted that about $6,000,000
of loans have been paid off, and we imagine that since the state-
came out even more corn has been taken from government seal, as
arket price is very attractive, and permits farmers to repay
ment loans and obtain the higher price which terminal markets
aying. If this is the case it reverses the situation which we
arlier, and instead of about 270,000,000 bushels of corn being
d by the government in farmers' cribs, it might mean that a fair
tage of the yellow cereal will pass through the usual channels;
herefore creating additional pressure which had not been looked
few weeks ago.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 18th, 1934.

A holiday was observed in Liverpool today, therefore, there no fresh news from abroad to guide our markets. Recent reports icate and confirm that the European wheat crop outside of Russia still expected to be at least 300,000,000 bushels below last year. duction of rye is also expected to be substantially smaller than 933.

In spite of this, there will be another world wheat conference l in London on August 25th, and these meetings will seek to reach ommon plan on what is termed "continued wheat acreage reduction". ne sense it is almost futile for this country to engage in such ussions, as the Argentine wheat and flour shipments continue large during the week were over 3,500,000 bushels. The total to date, ing but two weeks of the year, has amounted to 132,634,000 bushels, h exceeds by 13,000,000 bushels shipments for the corresponding od of the previous year. Already Argentina has shipped 22,000,000 els more than was permitted under its allotment and apparently is ng no efforts either to retract or condone its policy, as agreed at last year's conference.

According to press dispatches, Argentina had anticipated earlier eat crop in the neighborhood of 235,000,000 bushels but actually ested almost 50,000,000 bushels more, and of course this creates ern as to whether the fixed quota could be enlarged at the expe of other nations. With the large carryover in France and the ncial condition in Germany such that only minimum amounts will be rted, we have dwelt recently upon the disappointing business h we expect despite crop shortages in continental Europe.

The weekly report from the German Reichsbank shows that gold rage has increased very fractionally to 2.2 per cent. This, how, is of no consequence and naturally the entire foreign trade of country is very much restricted.

The immediate news which affected our market was continuation igh temperatures southwest, which on top of the rather sensational ction by a private estimate of corn yields yesterday had left the e in a rather bullish temper. Our own feeling is that regardless hat corn might do at a later period, it is yet too early to be enthusiastic when the price suggests practically 70 cents for next delivery. Yesterday's demonstration of the country's willing to sell showed rather obviously that some farmers, at least, pre to settle their obligations with the government and market their uct through the regular grain channels. Country bookings, as a lt, probably made a record for all time; and, on advancing markets, e is the possibility that a quarter of a billion bushels of the low cereal might be released from government seal and much move commercial channels, which is quite a different situation than ears when movement slows up toward the end of a crop season.

As far as wheat is concerned, it benefited sympathetically the corn advances. Actually, the hot weather southwest came too to do much damage, and while no rain is indicated overnight, at t cooler weather in our northwest and in Canada is expected. One he local experts sent rather optimistic reports from Alberta, and rding to claims from that country the crop is standing up well and ld produce good average yields unless something unexpected deps. between now and harvest.

The Canadian carryover will also be very large, and Canadian ks of wheat in all positions, exclusive of amounts in farmers' s and in transit by rail, shows 184,000,000 bushels. This compares 196,000,000 bushels last year, or only a moderate reduction . ers' deliveries continue at a fair pace, indicating that even year the crop had been underestimated.

Primary movement while much the same as last week amounted to 0,000 bushels, but considerably under last year when it amounted ,184,000 bushels. Stocks at Kansas City, Duluth and Minneapolis so this week show a net decrease of 544,000 bushels, as stocks in the hwest continue to diminish.

(OVER)

The best prices were not maintained throughout the session. Speculative demand is moderate, but new buyers above the dollar le have not become sufficiently encouraged to take aggressive hold o the market. Movement to terminals shows a dropping off as compare with last week; and we believe that pressure from the country fro now on will be comparatively light. Of course, in the northwest it the crop a failure it can never amount to much, even when the movement reaches its height. With this being the case, we cannot expect great pressure at any time, but on the other hand, without a export outlet, it is not likely either that sharp advances will oc unless the world's level of prices is materially improved.

UHLMANN GRAIN CO.

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COCOA EXCHANGE
FFEE AND SUGAR EX.
TY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 19th, 1934.

Just a year ago at this time September wheat settled back to rice of 91¢ after breaking 26¢ per bushel during two sessions. s followed on the heels of inflationary talk which had caused one the greatest speculative movements that we have ever seen in this ountry. The market since that time has been motivated at times by urther inflationary fears, although little attention at the moment s given to monetary considerations.

The fiscal year which closed on June 30 showed a deficit of aproximately $4 billions and a public debt of about $27 billions, an ncrease of 4 billion 500 millions for the year. The same size deicit will probably face us during the next fiscal year; and while it s possible the regular budget will be balanced it is the excess exenditures which in our opinion finally mean greater inflation.

In the meantime, grain traders center their attention upon crop ews from day to day. Governments continue to juggle with the laws f supply and demand, and each apparently thinks its own method is e best. Argentina definitely has opposed price fixing, contending at this has proved a failure. They point out that it is the United tates and Canada whose surpluses are to blame for the present situaion and that those countries resorted to unnatural practices. We owed yesterday that Argentina had already shipped about 22,000,000 shels more than its allowable quota and now is seeking to have its port limit raised to 150,000,000 bushels instead of the 110,000,000 s suggested.

In Canada we find that government agencies continue to support e market. This proved very costly last year, and while Argentina ipped more than her share Canadian exports for eleven months were ly 180,000,000 bushels, a falling off of 65,000,000 bushels from e year before. These smaller exports have resulted in accumulating large carry-over again, which we believe will have the same painful fects finally as when our farm board withheld surpluses from the rket by artificially holding the price.

On July 6 total country deliveries in Canada were 215,000,000 shels. Based on the government estimate of the crop and allowing r the normal amount that is always held back on farms, Sanford ans figures that the country had theoretically overshipped itself the extent of 4,000,000 bushels. Since that time country marketgs have been running large and continue at the rate of about 0,000 bushels per day, which leads us to believe that the crop was esily 15,000,000 bushels underestimated.

As far as the United States is concerned, the present program parently is to adhere to smaller acreages, and the plan is to contnue a reduction scheme similar to last year, which the AAA figures der ordinary circumstances would supply ample quantities for domestc needs. Of course the processing tax will also be continued, een though it has been found that the additional burden in higher four prices has reduced consumption. The only change in policy is tat government subsidies are no longer contemplated; and where last yar there was approximately 30,000,000 bushels of Pacific coast eat sold at a loss, that form of dumping will probably not be repated.

Our market was firm almost throughout the session, being inuenced by the strength abroad, and also sharp advances at Winnipeg. times the weakness in cotton had its effect, but as long as crop ws was generally bullish the local element took advantage of weak pts to make purchases.

Primary receipts amounted to 1,470,000 bushels compared with 901,000 bushels last year. Stocks at Kansas City, Duluth and nneapolis show a net decrease so far this week of 549,000 bushels; the southwest there is an increase while in the northwest supplies e diminishing. There were fair bookings of wheat again for icago, and while some hard wheat is going out we believe there will nearly 5,000,000 bushels of wheat in store here on Monday. In nsequence of this, there should be a slight widening of the carryg charge.

Corn was influenced again by hot-weather reports, and the only fset was some profit taking, together with hedging pressure, about ,000 bushels having been worked to come to this market. As long the price remains firm we believe that the country movement will main heavy. Chicago has booked to arrive over 4,000,000 bushels far this week.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 20th, 1934.

Despite fairly good business in this country, the stock mar- has slipped a little lower each day, and there was more pronounced uidation today without any particular reasons given. The fall of val- in gold/countries in the last few months has already led to new salary and e reductions in France, Italy, and Holland, and more recently gium has been following suit. We feel that the deflationary pol- es abroad have prevented inflation from working more rapidly in the ted States, and therefore one must watch European conditions some- t as a possible guide for the future.

As far as wheat is concerned, it would not be greatly affected any of the gold countries devalued, as we are not on an export is, nor do we have excessive supplies which make wheat prices depend- at this time upon foreign values. However, slowing up of general iness would curtail somewhat speculation and to that extent is a tor.

Deplorable conditions are still reported in the drought sec- ns of Kansas and Nebraska where high temperatures have prevailed ost continually since June. There can be no question that n in those territories has been irreparably damaged. Fortunately, ever, this condition was not general throughout the country, and d reports are still coming to us from Illinois, Indiana, and nor- ern Iowa. In those sections there has been fair rain from time to e, and it is only the dry counties, even at present, that are suf- ing.

In wheat some further deterioration is reported in our north- s, also in southern Saskatchewan, but generally speaking they have had the very torrid temperatures reported elsewhere and therefore urther toll has not been appreciable. The Van Dusen report, com- ing on northwest crops, states that typical midsummer weather has vailed the past two weeks. There is a wide variation in conditions, hough the outlook for a fair return in parts of Minnesota and tana is still favorable; overshadowed, of course,by the calamity he remaining territory which in some cases is a complete failure. Modern Miller thinks that the government underestimated winter at in the soft wheat states; so taking it all in all there has not any very great change since the last government figures were re- sed.

The past week did not show much moisture in Canada, and as a ult complaints are more numerous. According to Sanford Evans, he ends that heat is having a beneficial effect upon cereals over a ge acreage in the prairie provinces where conditions are fair to . There are chances for exceptionally fine crops in a number of hern districts, the grain is growing quickly in the more favorable s and filling seems to be quite good.

Our market , influenced by the weather sentiment, opened quite ng, but reluctance on the part of Winnipeg and Minneapolis quickly its sympathetic effect here. Our weather man believes that there ood possibility of moisture both for our northwest and in Canada night.

As the session progressed Minneapolis became very weak, and at time showed a loss of 4¢ a bushel from the previous day's close. ipeg declined less drastically, but the Canadian government is ght to have made some purchases in order to support the market. weakness in the northwest caused liquidation, as did also the lower rities market.

Primary receipts amounted to 1,630,000 bushels compared with 3,000 last year. Increases in the Kansas City wheat stocks were et by larger decreases at Duluth and Minneapolis; and the net s a decrease so far this week of 230,000 bushels. There were rances, the first in some time, all from Philadelphia of 236,000 els; while last year they were nil .

Corn held up comparatively well in the face of the general ness, particularly when it is considered that bookings were again heavy. It seems that the bulk of the receipts now comprises of which is released from government seal; and in some places this ausing considerable congestion. Carriers are afraid there will be ble in getting cars to move the grain; two stations in Illinois to stop shelling, and elevators in many places are filled to the s. This is an offset to the bullish news which continues in the hwest.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
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MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

July 21, 1934

We believe that it is difficult for anybody who is not in close touch with the southwest to have any idea of the calamity which has taken place in Kansas, Nebraska, and possibly Oklahoma and Texas, in the way of human suffering on account of the heat and destruction of vegetation on account of the drought. The temperatures have not only been unprecedentedly high in many cases, but they have lasted for a longer time unrelieved by precipitation, probably, than in any recent periods. The weakness in the stock market may possibly be due to appreciation of the fact that such short crops as are bound to result for corn, oats, rye, barley, hay, and all fodder stuffs must adversely affect a great many interests, particularly the railroads. There must be an indirect effect also upon employment of farm labor.

Fortunately, the wheat crop, which had already suffered so severely earlier in the season, was not affected further through this condition, as harvest was in progress when this new heat wave appeared. In fact, to a certain degree the heat was a benefit as harvesting in the southwest took place under the most favorable conditions, producing wheat of high protein quality which is bringing big premiums in all markets and producing much better flour results than the quality ordinarily raised. Therefore, this unparalleled situation during the past week has had less effect on wheat prices than on corn, and at the close the market showed an advance of only 2 cents per bushel over the previous Saturday.

The only crop in this country which is still subject to weather conditions is that in the spring wheat states; but the temperatures there have been reasonably comfortable, and while precipitation was very limited it is not likely that the previous low estimates will be materially reduced. In fact, they were already so small that even a further deterioration of 10 per cent or so would hardly amount to anything in the total number of bushels.

There is some discussion whether the extreme shortage of animal feed might possibly bring about a larger consumption in wheat for feed, but as long as the differences are still as great as they are now, over 30 cents a bushel, we hardly believe it likely that much substitution will be practiced. Fundamentally, therefore, nothing very much is changed as far as the domestic wheat situation is concerned. The outlook was and remains poor for the total yields of this crop, with probably a minimum reduction in our carry-over stocks of more than 100,000,000 bushels. The foreign situation would affect us only if it should become finally so strong that there might be an outlook for some exports, but this is not in sight, although the gains at Liverpool of late have been greater than ours.

In the meantime, we have probably seen the height of the movement; and by way of comparison this will be felt more when the normal time comes for spring receipts, as this year we can hardly expect any great country movement to the centers at Minneapolis and Duluth as in other years, on account of the light yields. Premiums keep very strong, in fact they were if anything a little higher in the southwest, and this may continue as receipts are bound to drop off from now on.

(over)

Primary receipts today were 1,611,000 bushels compared with 1,896,000 last year, and stocks so far this week at Minneapolis, Duluth and Kansas City show a net decrease of 45,000 bushels. W therefore look for an increase in the visible supply on Monday, which will look very small to the trade compared with the heavy addition of last week. Yet it may not differ very much from las year, when there was an increase of about 2,500,000 bushels.

The great strength of late has been derived from the advanc in corn prices, and this is likely to continue to be the case. Any change in corn prices would immediately affect the sister ce However, the long-time weather prediction holds out no hope for much, if any, precipitation in the drought district in the southwest; therefore, the only question is whether or not this extrem damage is already discounted. At the present time it is unprofi able to feed animals and, short as the supply is, there may be a still further decrease in feeding should it become more unprofit

In the meantime the government has extended the period for l on the sealed corn to September 1, so the assumption is that mor and more corn will be released and will have to be, temporarily least, absorbed. This shows today in the primary receipts, bein almost as large as last year, 1,667,000 bushels compared with 1,885,000 at that time. At the close the market showed an advan of 5¢ a bushel compared with a week ago.

Rye continued strong in spite of the fact that during the week three cargoes had arrived in Chicago, all importations, amou ing to more than 1,000,000 bushels. Oats are bound to follow th other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 23rd, 1934.

There were two distinct opposing currents today affecting prices
n our cereal markets. On one hand the drought in the southwest con-
inues, with temperatures extremely high, and no moisture during the
ast forty-eight hours. Further deterioration continues, now includ-
ng the state of Missouri; and the loss of wealth which ordinarily
ould have been created must run up into stupendous figures. This
vidently is being thoroughly recognized by financial interests, which
ed to more or less liquidation in Wall-Street stocks and a very de-
ressed market. This is discouraging eastern interests from making
ew commitments here; and at a time when the movement is the heaviest
ew buyers are needed in order to maintain or advance values.

Wheat after an early upturn of more than 1¢ per bushel from the
revious close, lost its ground and closed about 5/8¢ per bushel lower
han final figures on Saturday. The primary movement is somewhat
aller than the same week in 1933, now being 1,845,000 bushels com-
red with 2,317,000 bushels last year. The visible supply increased
616,000 bushels versus 2,370,000 a year ago; so the gap is gradually
osing up compared with 1933. Total stocks are now about 23,500,000
shels less. This, of course, will all change again when we come
the period when usually stocks accumulate on account of the heavy
ring wheat movement, which will be non-existent this year. The
en interest is gradually increasing; and from a low point on June
rd of about 107,000,000 bushels it has grown to 150,600,000 bushels.
is is clear evidence that speculators have absorbed the hedges of
eat which have been accumulated both in public and private elevators.
ese larger open interests naturally will make the market quite vul-
rable should sentiment change at any time. The weather in the north-
st over Sunday was quite fair, altho precipitation was light.

Cables were very strong, about 1 3/4¢ higher, and reporting about
e highest prices recently; but nevertheless we are so much out of
ne that the effect was only one of sentiment. Furthermore, we are
proaching a period when Canada will start its new crop year with
avier offerings, and its old position is not very sound. Country
liveries of wheat in Canada for the week ending July 20th amounted to
136,000 bushels, showing that farmers still have a fair amount left.
exports do not greatly exceed this amount the Canadian visible sup-
y still shows up very large. On July 13th stocks of Canadian wheat
all points, not including farmers' holdings, amounted to 197,000,000
shels compared with about 209,000,000 previous season. It is pos-
ble that the farmers' holdings now may be somewhat less than they
re in 1933, but nevertheless it is quite obvious that the carryover
ll be only slightly smaller than it was then and at least 190,000,000
shels. Last year's total crop, which had been estimated at around
,000,000 bushels for all of Canada, was easily 13,000,000 bushels
derestimated; so if Canada raised 283,000,000 bushels last season, we
st assume that with the much better conditions existing now than in
33 the crop will be considerably above 300,000,000 bushels, although
is still too early to guess at accurate figures.

Corn opened sharply higher, was never weak at any time during
session, and it is thoroughly appreciated that the crop is daily
ng backward; at the present time much of the damage done is irrepar-
e. The outlook is still quite fair in Illinois and Iowa, but even
re reductions in yields might take place if weather from now on
uld continue to be unfavorable.

Up to July 14th over $6,000,000 worth of notes have been repaid
the borrowing farmers in about ten of the corn states, thereby re-
sing approximately 17,000,000 bushels of corn. It is assumed that
ce that time probably $1,000,000 daily is being repaid, which would
n the release of 2,250,000 bushels every 24 hours. With the enormous
fit which every farmer can realize by repaying his loan instead of
ling the corn to the government at the loan price of 45 cents, we
t assume that before September 1st all the corn will be released. It
difficult to judge just what part will be actually fed and how much
pped to terminal markets, but even if only 50 per cent is resold in
mercial centers there will be a tremendous movement through this
th and next, much exceeding the temporary demand. Absorption by
culators will be needed right along to maintain or raise present val-
. Of course as long as the weather continues unfavorable new buyers
likely to come into the market, but on any change in temperatures
resumption of moisture, sentiment would change very quickly.

Oats and rye never gained much strength, and for the present the
le is awaiting further developments before indulging in heavy
nitments.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
GO BOARD OF TRADE
RK PRODUCE EXCHANGE
ORK COCOA EXCHANGE
K COFFEE AND SUGAR EX.
ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 24th, 1934.

A great deal of discouragement has taken place lately in al Street. It is expected that a government conversion loan of ut one to one and a half billion dollars will be floated, possibly ly in September, and it is assumed that until this is out of the no inflationary measures are likely to be effected, whereas the ue of many stocks and commodities had been raised on the supposi- n that inflation was bound to come.

It seems to us that while a loan of this kind might for a e delay propaganda for inflation and may somewhat retard what by y is considered inevitable, it is more important to consider that Treasury Department continues to spend on an average at least ,000,000 more per day than it collects. Consequently, one billion lars could easily be absorbed in three months by new borrowings hout taking conversion into consideration. We are supposed to bal- e our budget in about eleven months, and so far there are no signs any change in either much increased revenues or decreased ex- itures leading in this direction. Therefore, until we have a more rly balanced budget, inflation fears are certainly still justi- ble.

While the weather still plays the all-important part in ming opinions and making cereal markets, yet great weakness de- oped today although no immediate relief from the great heat was ex- ienced, nor was there any worth-while precipitation. It is true, es were considerably lower and had a depressing effect, but had not been for the whole discouraging surrounding atmosphere, such ower cotton cables, and a weakened stock market, we doubt whether at would have declined as much as 2 1/4¢ per bushel, which it did ay. While there is a possibility of a change in weather conditions ooler, we believe that with the deterioration which has taken e already this alone would not have been sufficient to bring about ecline; but evidently the market has been technically weakened thru increase in the open interest and probable absorption of about 000,000 bushels of hedges since early June, which have not yet been ly digested.

Offerings everywhere continue to be very much lighter; we surely reached the peak of our wheat movement, although primary eipts are still large- today being 1,416,000 bushels compared with 67,000 last year. However, Kansas City stocks increased only 00 bushels for one day, and Duluth and Minneapolis continue to a decrease; so that these three primary markets show a net de- ase of 68,000 bushels. Premiums keep very firm, and even the most simistic traders expect nothing in the way of a radical change, hough some further readjustment might become necessary before we be on a sound foundation again.

In view of the crop shortages reported in Europe and the ural conclusion that their wheat requirements will be heavier this e than last, it is very essential to watch the weekly exports of dstuffs as regularly reported. So far since July 1st the export- countries have shipped about 40,000,000 bushels of wheat compared 37,500,000 last year, thus showing no decided tendency to in- se, although a slight improvement is noted.

In analyzing the various countries which contributed, we that North America cleared about 500,000 bushels less, the ntine almost 2,000,000 bushels more, and sundry other countries t 1,000,000 more. Total contributions from North America were t 33 per cent, and if this rate is maintained during the year e will be less than 200,000,000 bushels needed from Canada, as l imports are not likely to exceed 600,000,000 bushels.

Corn went through similar experiences as wheat. There o improvement in the southwest situation, but the heavy arrivals without adequate demand temporarily create a weak cash situa- compared with the futures. Primary receipts for the first time long while were larger than last year- 2,082,000 bushels today us 1,587,000 in 1933.

Oats and rye sympathised with the decline in wheat and , although the recessions were more moderate.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

EMBERS:
BOARD OF TRADE
PRODUCE EXCHANGE
K COCOA EXCHANGE
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ITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

July 25, 1934

We believe the great strength in corn today was the chief in-
nce in new investments of wheat futures, although the general
s affecting wheat prices was also rather favorable. Cables show-
very firm undertone despite our late decline of yesterday. News
abroad always has a sympathetic sentimental effect; and while
quite plain that the importing world will have no trouble
ng its supplies, yet the general situation abroad is strength-
g.

There are just a few items which we wish to mention and to which
narily not much attention is paid because they are not as far
ing as what is going on in the larger exporting countries. We
state that Germany prohibited the exportation of wheat. That
ry exported last year only 17,000,000 bushels, which quantity
ther inconsiderable, yet it is not likely that Germany will ex-
anything the coming season. Same refers to the United States
, thru subsidies, exported about 25 to 30,000,000 bushels the
season and will have none to spare now. Australia will cer-
y have a smaller crop than in 1933; but part of this will be
t by a carryover of about 65,000,000 bushels compared with
0,000 bushels a year ago. Argentina also probably will have
er yields, but will have larger supplies on August 1st than in
Under these circumstances a very bullish private report
d yesterday by one of the Canadian houses made quite an im-
ion and created a somewhat bullish feeling.

Canada at the present time suffers from lack of moisture; but
emperatures are satisfactory. The final outcome of the Cana-
crop will be all-important. Later on the result of the crops
e Southern Hemisphere will make a very big difference; but the
ts cannot be determined until a few months hence.

As far as our domestic situation is concerned, there is a de-
dropping off in offerings from the country, although on every
they increase moderately. But the size of the hedging sales
longer being severely felt, particularly as the larger mills
to come to terminal markets right along for their supplies, and
will have to continue for the next eleven months until another
is harvested.

Primary receipts were fair, 1,291,000 bus. compared with 1,240-
ushels in 1933. Stocks in the chief southwestern market,
s City, showed an increase of only 256,000 bushels for two days.
e close wheat showed an advance of 1 3/4¢ compared with yesterday.

Corn started strong right at the opening and was firm through-
he session. It is generally expected that estimates of private
ts will make a very bullish showing. One is, therefore, re-
d of the poorest crop of corn ever raised in the U. S. of late;
y, in 1901 when the yield was 1,522,000,000 bushels with an
ge much the same as now, a little over 91,000,000 acres. Com-
ons are always odious; but it might be interesting to note
tions prevailing at that time: Hogs sold at about $5.89 on
25, and on Dec. 31 they were $6.56, which price is much high-
an now, and therefore much more profitable to feed than at
resent time. Corn prices ranged from 60 to 67 1/2 cents after
came known that the crop was almost ruined. Of course the
ation was much smaller then than it is now; but we doubt very
whether there were less animals, because at that time horses
ed in large numbers and hogs were very plentiful as at that
we were a large provider of provisions for the whole of Europe
t only for home consumption. The weather outlook for the
elt is very much more favorable; and it is expected that the
rdinarily high temperatures will be a matter of the past.
a fair amount of precipitation is in sight for many of the
tant states. The amount of rain will probably have much to
th the outcome of the markets the next few days. At the
corn showed an advance of 1 3/4¢.

Rye and oats sympathized with the other cereals and closed
r.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
GO BOARD OF TRADE
RK PRODUCE EXCHANGE
ORK COCOA EXCHANGE
K COFFEE AND SUGAR EX.
ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
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CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

July 26, 1934

The cereal markets today had to contend with a great many out-
ie influences besides the weather and supply and demand. The
ock market was extremely weak, and such declines which have taken
lce lately cannot be ignored and are bound to affect the whole
iancial world and commodities as well. Depression in any one
dmodity always has a sympathetic effect on others; and to say
h least it curbs speculation, which in itself is an important
ator in price-making. In order to determine whether this con-
iion is either temporary or permanent, it is well to analyze the
ases which brought about this condition.

It has been apparent for some time that the great havoc raised
ih the short crops and the drought which made it necessary to re-
ce and sell animals, must bring enormous losses to the farming
cmunities, in turn reducing buying power and hurting general busi-
es as well as profits.

The murder of the Austrian Chancellor caused headlines in our
espapers, creating war scares and mentioning a partial mobiliza-
in on the part of Italy, etc. However, we believe that the
iuation is well in hand and that probably nothing serious will
elop, although we might have been on the verge of a catastrophe.
tlooks to us as if a new government, satisfactory to the great
ers, has been established in Austria, Germany is backing down
not taking sides with the insurgents. Therefore, it is not
ely that it will become necessary for other governments to
rvene.

Had the war scare been the dominant market factor, it really
uld have brought advances in cereal prices, as in the past
eatened wars always brought about enhancements in commodity
ues and not declines. We therefore believe that in case
ters should quiet down more attention will be paid to the sta-
tical situation, although in spite of the shortness of our crops
must be some harmony in values, and real fancy prices cannot
st in depressed times. Today the government gave official
iures of its estimate of the amount of wheat held in country mills
elevators on July 1st as 51,000,000 bushels compared with
500,000 bushels last year, about 10,000,000 bushels less. We
have the following estimates from the Agricultural Department
supplies on hand at the beginning of our crop year:

On Farms	61,000,000 Bus.
In Country Elevators	51,000,000
United States Visible Supply	80,000,000
Total:	192,000,000

are still without the amount of the large mills and in transit.
t year these two items amounted to a little over 111,000,000
hels; and this same quantity added to the above figures would
about 303,000,000 bushels. However, there is no question that
re will be a considerable reduction in that, so finally our
vious estimate of 285,000,000 bushels for carryover probably
l prove to be correct.

There was a complete change in the weather; and it looks as
the intense heat, under which human beings as well as animals
crops have suffered, has been broken. The return of cooler
ther was accompanied by various scattered showers, but not by
heavy rains, and it is the latter which is still urgently need-

(Over)

As far as wheat is concerned, even the spring wheat crop has advanced so far that we do not think much improvement or deterio tion can take place. The final yields probably will be somewhat larger than the earlier estimates; but it is well to bear in mind that the total figures will be much below the annual consumption.

Farmers' deliveries have dropped off very materially. Primar receipts are rather small for this time of the year, today being only 1,029,000 bushels compared with 917,000 last year when the winter wheat crop was also very light. Later on we will miss the usual movement of spring wheat. Stocks at Kansas City, Duluth an Minneapolis show so far this week a net increase of 336,000 bushel and while the visible supply probably will show another increase on Monday, it will not be as large as that of the last two weeks, and thereafter increases will become less and less, and decreases will commence earlier than usual. Cash premiums continue to be ve strong; and it was this fact which brought about quick recoveries after an early decline. Confidence which had been somewhat disturbed, has not yet been entirely shaken in the ultimate value of wheat due to the comparative shortness of supplies. The close sh a decline of 1 3/4¢ per bushel.

Corn opened somewhat weaker due to more favorable weather, b so much of the damage already done is irreparable, and in anticip tion of very bullish private estimates which are expected the end of the week, declines never became severe. Primary receipts are heavy, 1,755,000 bushels compared with 1,178,000 bushels last yea The demand is also better, consumers evidently no longer working from hand to mouth, and buying is fairly liberal. At the close there was a decline of about 1¢ compared with yesterday.

Rye showed extreme weakness during the day; but it is a narr market and therefore fluctuations are not as important as in othe cereals. We believe rye is cheap compared with either wheat or

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MEMBERS:
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141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 27th, 1934.

The news affecting wheat prices was very constructive today.
he war scare was no longer a factor, the heads of the Austrian govern-
nt seem to have the matter well in hand, foreign nations are satis-
ied with the now-constituted powers of the government, and Germany
eems to be making every effort possible to pacify its neighbor and
ther European powers. Consequently, the stock market recovered
rom its almost panicky condition of yesterday, Liverpool sent higher
uotations, and importing countries are commencing to see more clear-
y that the glut of wheat which existed the last few years is not in
ght this coming season, and they are more apprehensive regarding
eir requirements.

Premiums in the southwest advanced again, possibly 1/2¢ per
shel. It would be impossible to buy a bushel of hard contract wheat
Kansas City at less than the Chicago September price, although the
reight difference between these two markets, according to billing,
ould be from 8 to 9 1/2¢ per bushel. It is quite plain that under
e circumstances it will be impossible for eastern millers to obtain
y supplies from the west except at fancy prices, and they have to
ly on either their own territory or on Chicago. As a consequence,
e hard wheat which has been accumulated here is also bringing big
emiums. As far as deliveries are concerned, they might be eliminated:
d red wheat is the only kind which is likely to make the price for
ture contracts. It is possible there will be quite sharp competi-
ion on the selling side from the Pacific coast whenever the strike is
ttled; but if premiums for hard wheat advance too much some millers
account of the price will substitute red wheat for their milling
eds.

A local statistician estimated the carryover the same as we did
July 1st, about 280 to 285,000,000 bushels, 100,000,000 less than
year ago. Inasmuch as our crop was 527,000,000 bushels, and about
,000,000 bushels had been exported, our home consumption must have
een 600,000,000 bushels, which is the same figure that we had arrived
many times before. We presume the smallness of the consumption
n be explained by the extraordinary choice quality of wheat, it
turally taking less bushels to make a barrel of flour than in nor-
l years. However, the same conditions are prevailing now. The
untry movement is decreasing very heavily, and primary receipts
day were 1,144,000 bushels compared with 1,630,000 last week, showing
ite a dropping-off; they were larger than last year when they amounted
957,000 bushels, but of course in 1933 the winter wheat crop was
tremely small. Stocks at Kansas City, Duluth and Minneapolis so far
is week show a net increase of 424,000 bushels, thus indicating only
moderate increase in the visible supply on Monday; we doubt whether
will be as much as 4,000,000 bushels, which was the figure a year
o.

The undertone during the whole session was firm, declines at
mes were only of minor importance, trade was rather light and the
ose showed an advance of 3/4¢ per bushel over yesterday.

The weather over the corn belt was somewhat more favorable, but
t exceptionally so; there were some rains in the southwest as well
Illinois and Iowa, but nowhere were they excessive; fortunately
nerally cooler temperatures are prevailing. The depletion of live-
ock in the southwest continues, and while the corn crop might be
believably small, so will consumptive requirements. With this in
nd, trade is a little more careful about accumulating lines at pre-
nt levels, it being difficult to figure out whether one of these
ctors will dominate the other. At the close the corn market was
actically unchanged.

Oats and rye were somewhat higher in sympathy with the other
reals.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 28th, 1934.

The reduction of surpluses was one of the first aims of the
. They had originally planned, through voluntary acreage cuts,
bring about a better adjustment between supply and demand over a
iod of years. The terrific drought and intense heat have hasten-
this process greatly, and the huge surpluses that for several years
rhung the markets are gradually disappearing.

This in our opinion will mean some modification in restricting
ntings for next year, which refers to cotton as well as to wheat
corn. In some cases it was hoped that benefit payments to land
ers would more than compensate them for crops that were taken out
production. In addition to those expenditures, Congress has ap-
priated $525,000,000 for drought relief. At the start this was
sidered ample money, but when rains failed to materialize over a
e area, particularly in the southwestern states like Kansas,
raska, Texas, Oklahoma and parts of Missouri, conditions grew
adily worse and the next necessity which will probably confront
administration will be that of drawing from other funds to re-
urse those farmers for the added losses which they are sustaining.

The estimates which private experts will make on corn yields on
ust 1st will probably disclose very sensational results due to the
vy toll of adverse weather. This alone does not tell the full
ry, because lack of water and parched pastures have destroyed
s and cattle in almost the same proportion as animal feeds have
fered. This in turn has upset the original plan to increase
eral farm income, and it is already resulting in somewhat poorer
iness, particularly in those districts that have been affected so
erely.

Wheat of course, while a poor crop, matured almost ahead of the
ent hot spell except in the northwest where a further toll has
n taken, and this is shown already in the movement of grain to
ket. Minneapolis wheat stocks for the week decreased 300,000
hels while a year ago stocks had increased to the extent of 825,000
hels for the same period. It must be remembered that even last
r the northwest crop was a poor one, but this year yields are so
h poorer that we do not expect at any time that receipts will be
vy and to that extent it is a different picture than has been
nted in recent times.

Canada has also been experiencing rather unfavorable weather in
way of insufficient moisture and some high temperatures during
past two weeks, and while the crop is still thought to be better
n last year, we think that estimates have been cut sufficiently to
e them a much smaller total supply than was expected a month ago.
ford Evans now claims that a period of heavy rainfall is of the
st importance to western Canadian crops: "Wheat is headed and
ds favorable conditions to allow the berries to fill out properly
ore maturity". Of course the carry-over in that country on
ust 1st will still be very large, and total stocks as of July 20,
lusive of amounts held on farms were 195,000,000 bushels. This
pares with about 205,000,000 bushels last year at the same time.
re was nearly 15,000,000 bushels held by farmers in 1933, and the
unt at present may be somewhat smaller although country marketings
holding up at a fairly good pace; so we do not look for any ap-
iable reduction in carryover in spite of the fact that last year's
was a very small one.

Liverpool market was very steady and has displayed a firm tendency
almost a week now, indicating that they recognize short crops
ad and the deterioration which has occurred in Canada. Our market
onded to the better foreign tone, also to slightly better securities
es and less excitement occasioned by war news in Europe.

(over)

The United States has just published official exports of whe and flour for the month of June, which were slightly less than las year. Total for the crop year amounts to 37,127,000 bushels, but deducting importations of Canadian wheat which was ground in bond amounted to 11,193,000 bushels, the net exports are just short of 26,000,000 bushels. This will be different during the next crop ye as we do not think the government has in mind subsidizing exports and therefore our 1935/ carryover will probably depend upon the final yie of the crop less domestic consumption.

Primary receipts of wheat amounted to 1,177,000 bushels compared with 989,000 last year. Stocks at Kansas City, Duluth and Minneapolis up to the present show a net increase of 447,000 bushe and the visible supply on Monday suggests a moderate increase in stocks.

Toward mid-session the weekly weather forecast was published but not much precipitation was indicated; even with temperatures about normal traders construed this as bullish, and further purcha of corn were made. This also had its effect upon other cereals, a the close was toward the best figures of the day.

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MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO July 30, 1934.

There was much encouragement in the general wheat situation lay to owners of same. The Liverpool market which has shown great rength right along, advanced again almost 1 3/4¢ per bushel; nipeg also followed. This clearly shows that the whole world uation, as far as wheat prices are concerned, is changing. While s ought to affect us only indirectly, as it is not likely that we ll either import or export much wheat this season, it is encourag- from the point of view that we may assume that for the time being causes which brought about the great depression have corrected mselves. We no longer are dealing with any extraordinary sur- ses either abroad or in this country.

As far as the United States is concerned, while it is too ly to give any accurate figures, the wheat crop undoubtedly will so short that our present carryover will probably be reduced by ut 125,000,000 bushels, and will come nearer a normal basis than has for many years. The crops abroad have also been reduced to h extent that unless phenomenal yields should be raised in the thern hemisphere, (and from present outlook this is not likely) doubt next July the world shall almost be in the position where cks will be quite moderate; everywhere the future price then will end upon the size of the crops, values being high when crops are rt and reasonable when they are large. For the past few years ues have been low no matter what happened.

Wheat prices derived further benefits from the continued ength in corn. Also one of the private crop experts gave an imate of the combined winter and spring wheat crop at only 7,000,000 bushels; and the figures on all other cereals were so that the whole agricultural situation can only be described as nunprecedented calamity. Naturally under these circumstances very tle attention was paid to ordinary statistics, everybody being ly aware that with eleven months to go before another crop can eharvested, with a large amount of the winter wheat moved already no spring wheat in sight in any large quantities, the whole pic- e will change very soon. The fact that Europe imported under ,00,000 bushels this week, which is a little less than last year, nspite of the shorter crops, was entirely ignored; also the fact t the visible supply increased 5,438,000 bushels compared with ,14,000 a year ago, and is now almost 110,000,000 bushels, or only 000,000 bushels less than same period in 1933. Ordinarily a ible supply of this size would be considered very bearish, but re is no question that it will be only a very short time, and h earlier than usual, until there will be decreases instead of reases.

That the market has not advanced more is due to the great idity on part of speculators. Wall Street stocks are still very k; furthermore general business is not at all satisfactory, and is difficult to obtain higher prices for merchandise from the suming element. In the past there always was a certain harmony ween values; and it is only in good times that high levels could maintained. Of course, the situation this year is so extra- nary that perhaps comparisons with seasons gone by should not be e. Nevertheless, we have to consider that including processing and the premiums which are being paid for choice wheat that the e to the consumer is close to a basis of $1.40, which ordinarily ounts a great deal.

Inflation at the present time is hardly mentioned, but our eciated dollar is working in many directions all the time; it is oughly believed it will come to the front again; however , it may be until much later.

At the close the wheat market showed an advance of 1¢ per bus. red with Saturday.

Corn was extremely strong, influenced by the almost total nce of precipitation during the last forty-eight hours. It is as- d that while these weather conditions exist the crop will de- orate further. In the meantime all those who have visited the corn ds come back with very pessimistic reports. Were it not for the that cattle are being killed to an unusual extent and that the e of corn compared with the products of hogs is way out of line, ubtedly speculation would have been wild. At the close the corn et showed an advance of 1 1/2¢ per bushel.

Oats and rye sympathised with the other cereals and closed er.

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FORT WORTH GRAIN AND COTTON EX.

July 31, 1934

The weather is still the dominant factor in shaping ices, although we believe sooner or later much consideration will given to other matters. The Liverpool market lost a great deal om its yesterday's strength on account of the heavy rains in Aus- lia; but the chief influence was the prospect of possible precipi- ion in our northwest, Canada, Nebraska, Kansas and possibly Iowa. re are no indications of moisture in the rest of the corn belt. outlook is not necessarily for heavy rains which would relieve situation for any lengthy period, but the fact that there might some interruption from the drought caused liquidation and some- ht lower markets.

The offerings from the country are getting very light erywhere. The trade in general is about as timid as we have ever en it, all of which is easy to explain. The whole western country s suffered tremendous losses on account of the drought. Somebody timated today the loss for Missouri, based on destruction of crops, imals and various other ways, might amount to almost 5 hundred llion dollars. This, of course, is probably exaggerated; but very w people who are not in touch with the southwest have any concep- on of the calamity which has taken place. This naturally must ve a terrific effect on the income of the railroads, and those o are still old-fashioned adhere to the belief that when the rail- ads cannot make any money, it will reflect on every other business. ey are a mighty power in our commercial situation, and the dif- rence in their purchasing influence between good and bad times is emendous.

We still have with us many who believe that under the rcumstances further inflation is an almost certainty; but in eculation the time element is very important, and nobody can pre- ct just when it will come. In the meantime there are no positive gns of it as yet; therefore, it is not always followed up by buy- g orders.

The cash situation remains extremely strong. The south- st markets are still gaining on us , and actually higher prices e being paid for wheat at Kansas City than at Chicago. Conse- ently, it is out of question that this market should ever receive y wheat this season either from the northwest or from the south- st, except for local milling purposes, and will depend entirely on its supplies from the adjoining states: Illinois and Indiana. a general rule the movement from there is practically over by e end of August, but we believe this year the bulk of their wheat rplus has already been moved and that from now on the outgo here ght be as big as the new arrivals. After a week or two we hard- expect any increase in Chicago stocks, small as they are now for e volume of trading. Under the circumstances, until the horizon comes clearer, smaller fluctuations are necessarily meaningless, ices depending so much upon momentary influences derived from the ily news. Therefore, a reaction from the early decline was not t of order, but a good-sized recovery took place, which, however, d not hold, and our futures closed 1 3/8 cents per bushel lower.

Primary receipts were 1,248,000 bushels compared with ly 887,000 bushels last year. They were smaller than last week, d to some extent they were accidental, as half of the receipts owed up in Chicago stocks, which was caused by a large amount be- g unloaded overnight, and not likely to be repeated on this crop.

The corn market suffered also from the prediction of ssible rains, but we hardly believe they can do much good any more the southwest; although should Illinois and Iowa be visited, they least will prevent further deterioration and might bring about me improvement. No matter what happens now the corn crop will small and the question will be: Will the decline in animals be rrespondingly great or not? Inasmuch as no substitutes of any nd are available this year, feedstuffs are bound to be scarce oner or later. Rye and oats declined in sympathy with wheat.

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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 1st, 1934.

In spite of the fact that we had a decline yesterday, Liver-
ol cables showed a sharp advance, and closed about 2¢ per bushel
gher than the previous session. Argentine futures advanced about
much, and Winnipeg showed great strength during the session; all
which is a clear indication that the world's situation is gradually
roving. The sharpest rallies of late have really come from Liver-
ol, where futures had been selling at a big discount even under
nipeg, but they have almost caught up, and considering that the
adian choice wheat is bringing big premiums as a rule everywhere
oad Canada ought to be very much more in line for a larger ex-
t business. The change in sentiment abroad undoubtedly has been
atly influenced through realization that the Canadian crop pros-
ts have deteriorated and that the crop estimates must be heavily
uced. There were some rains in Canada, but precipitation was not
ficient to change the picture materially, and more moisture is
ly needed. Temperatures have been high for a few days, but
ler weather is in sight.

Foreign countries start their crop statistics as of today,
therefore comparisons with last year are in order. The world
ible supply in the four important countries and on passage shows
ut as follows: This year 358,000,000 bushels against 380,000,000
t season, or 22,000,000 bushels less. This is the exact quantity
ch the United States visible decreased. Canada shows up with
000,000 bushels less, which is made up by larger stocks in the
ted Kingdom, Argentine and on-passage. However, the important fac-
in 1934 is not the carryovers, but the invisible supply; in other
ds, the size of this year's yields. From that point of view, the
ted States on the first day of the second month of its wheat move-
t shows primary receipts 827,000 bushels, versus 1,291,000 last
k, and 1,013,000 bushels last year; and we think this points out
y plainly what we may expect in the future. As a general rule our
mary receipts do not decline much for many months to come, and even
January they are still from 6 to 800,000 bushels a day, while this
son probably such smallness will be already attained late in
ust or early in September.

Under these circumstances it is not likely that we shall have
more increases in the visible supply, and very shortly we shall
e decreases instead, much earlier than usual.

The outstanding features for the balance of the year will be,
one side the fact that for eleven months there will be no heavy
ging pressure at any time on newly accumulated stocks, and that on
contrary, before very long hedges will have to be removed. On the
er hand, there is no question of a doubt that at the end of this
son there will be plenty of wheat left for a fair-sized carryover,
all demands in the meantime can be easily supplied. However, in
er to bring out all the necessary quantities of wheat which are in
ners' and speculators' hands we may at times have higher prices to
ng about this result.

The weather today was rather disappointing inasmuch as lower
peratures, which had been expected, did not materialize, and there
was practically no precipitation to speak of in the United States.
s, together with a firm stock market and gradually increasing con-
ence, boosted prices so that at the close there was an advance of
/4¢ per bushel over yesterday.

There is no material change in the corn situation, but the
y damage in the southwest is irreparable, and the great corn belt
Illinois and Iowa will continue to suffer until much moisture re-
es the situation. There is some prospect of at least moderate
vers overnight. Country offerings are also getting lighter.

Rye and oats sympathised with the advance in the other cereals
closed much higher.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 2, 1934

The private experts furnished the trade today their estimates the 1934 wheat crop. The figures certainly are very pessimistic. average of the five reporting parties is:

404,000,000 bus. for the winter wheat crop
78,000,000 " " " spring " "
ing a total of 482,000,000 " This compares with their timate last month of 516,000,000 or 34,000,000 bus. less, while only 00,000 bus. lower than the government's July report. However, confirmed later on, we shall be confronted with a crop of 48,000, bus. less than the final of 1933, and 406,000,000 bus. less than 1927-31 average, when the crops amounted to 886,000,000 bus. As urs very often when the worst is known, markets react; and evident- the estimates furnished no surprise. Wheat futures which had been chased in anticipation were liquidated. So for a while consider- y lower prices from the opening and yesterday's close were report- It is also not strange that a calamity like this will not assert elf fully at the start. It will also be modified by the large ry-over. Nevertheless, we must assume that it will be felt daily the small arrivals of wheat and the difficulty which millers must erience in some sections to obtain their supplies.

Statistically the situation is now about as follows:

Crop prospects	482,000,000 bus.
Carry-over	280,000,000
Total supplies	762,000,000
Consumption about	600,000,000
Leaving a carry-over of about	162,000,000 bus.

for the follow- year, which would be plenty under ordinary circumstances, but ld still mean high prices, as only those will induce the farmer ficiently to market the largest share of his raisings.

Very soon another factor will have much sentimental effect: name- the fall weather. This great drought which we experienced may only affect this year's crop, but also the next one, as the subsoil sture in a great part of the wheat belt will be so exhausted that it l take more than the ordinary amount of rainfall to induce the farm- and enable him, to put in his normal acreage and bring about de- ed results.

At the moment the most encouraging feature to us is the great ength at Liverpool, which is the mirror of the world. During the th of July Liverpool futures advanced more than any others, which dually stimulated the Argentine and Rotterdam markets, leaving no raordinarily depressed future markets anywhere. Today, for the first time a long while, Liverpool caught up with Winnipeg. While it had selling below the Canadian market for quite some time, Winnipeg ber future finally is cheaper than that of Liverpool. Whenever strength was based entirely on a domestic situation, the danger very great; and had the crops improved instead of having gone back- , nobody could have predicted where we would have landed. Now we that no matter what happens there will be at least a resting e where an outlet could be found somewhere outside of this coun- although for the present our prices are above those of all other tries.

Primary receipts were very light again today, 883,000 bus. com- d with 1,029,000 bus. last week and 753,000 last year. The her was again discouraging: Over night there were a few scatter- howers in Canada and various other places, but not sufficient to eve the situation; nor is there anything in sight, according to prediction, to bring about a material change. At the close wheat res were practically unchanged compared with yesterday.

Corn estimates by private experts were equally as bullish as on et, the average crop being estimated 1,658,000,000 bus., which is nst 686,000,000 bus. less than the small crop of last year and 000,000 bus. less than the average for the years from 1927 to 1931. calamity becomes very plain when one takes into further consider- in the facts that the amount of old corn left is very small and that other feed crops are scarce. Corn declined in spite of these rts, as the poor outlook was known before hand.

Oats are still neglected; and were practically unchanged.

Rye was somewhat higher.

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DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 3, 1934

The federal government ended the first month of the fiscal r with a deficit of $248,000,000 compared with $108,000,000 on y 31, 1933. This deficit would have been still larger had it been for the fact the Reconstruction Finance corporation collect- about $77,000,000 more than it paid out, probably having received reat many repayments on loans made previously to the banks. The raordinary disbursements for emergency relief continueon a very vy scale, much larger than last year, while receipts also show sub- ntial gains, although they are not in proportion to the rise in enditures. Consequently, there is to say the least a tendency ch sooner or later may lead to further inflation. The grain trade not discounting any such condition at the present time; there are indications it will happen in the immediate future, but it is well bear in mind all the time. The only effect this thought has on rators is that they refuse to enter into international spreads where culations might be entirely upset should anything radical happen the way of monetary changes. It also prevents short selling on arge scale, which in turn would make the markets vulnerable should re be any sudden change in sentiment. However, fortunately for speculator, up to the present time he has had nothing to worry ut, as the crops have continually deteriorated; and while from now no great changes are expected either way in the yields, there is l a great interest shown in whether the next government report increase or reduce the estimates of private experts. Among the who reported there was a difference of 42,000,000 bushels be- en the highest and lowest estimates; so there might still be some rises in store, assuming the report would show either extreme.

The next important market movement, we think, will have to come the actual cash situation. It is only natural to expect that the short crops the receipts at various times will be smaller the quantities needed for daily consumption; and when we once cut our visible supply and remove hedges, the load to be carried will orrespondingly smaller and the price will quickly respond to such ndition. Of course it is a little early to anticipate immediate lts in that direction.

Primary receipts were quite fair today, although smaller than week, being 932,000 bushels compared with 1,144,000 bushels last and only 748,000 the year before. We think there is more than nary duplication going on, as some of the wheat receipts showing t Minneapolis undoubtedly are coming from Kansas City where they been counted before. Otherwise it would be difficult to ex- n the fair receipts at Minneapolis, considering that the spring t movement has not yet started; and it is not likely that it all s from country elevators. So far this week Kansas City, Duluth Minneapolis show a net decrease of 245,000 bushels, indicating a moderate increase in the visible supply on Monday, while last same amounted to about 3,000,000 bushels.

News today was quite favorable to holders of futures; but the t did not respond to same, showing very plainly that the tech- position has been weakened thru heavy purchases at top prices ew of the bullish news, and new buying orders were very scarce . Liverpool market again showed extreme strength, although arly advance of about 5/8¢ per bushel had not been fully main- d at their close. The largest milling center, Minneapolis, was very firm and higher; and holders of cash wheat everywhere till exacting big premiums, there being no anxiety to sell as it fficult to make replacements at even moderate margins. The er was also unfavorable to the extent that there were no rains nada nor in our northwest. At the close wheat showed a de- of 1/4¢ per bushel.

Corn maintained a firm undertone all during the session. There some local rains overnight in Illinois and Michigan and the tem- res are generally cooler. However, the outlook is for more fair r over the entire district on Saturday, with possibly some light s in the northwest; therefore, no general relief is in sight. incipal future closed 3/8¢ higher.

Rye was independently strong. Receipts in all markets are next hing; and the consumer will have to depend entirely upon accu- ed stocks or importations. Oats showed but small change.

DAILY MARKET LETTER

MEMBERS:
AGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
ORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 4th, 1934.

Liverpool advanced overnight 2¢ a bushel, and this great ngth abroad is very impressive. Futures in that market since y 11th, after our government's figures were digested, gained 14¢ ushel. At first Europe paid very little attention to the American kets; in fact they should not be all important as far as foreign es are concerned, as importing nations had adjusted themselves to fact that we shall not be an exporter this year and that they have ely on other sources for their requirements. It is quite plain the strength abroad is due to a steady deterioration of crops in other parts of the world, which directly affects every import- country. That Canada has suffered so much of late might be more rtant than anything else, that country being the largest exporter. ord Evans states on August 1st that early estimates of yields re- . the very rapid deterioration which has taken place during the h of July in the Prairie crops. Also that rain is still an urgent ssity, and none has materialized as yet. In addition, Broomhall es are to the effect that crop news from Russia was less favor- ; and that their government is insisting upon collections much ler than in past years. Therefore, the outlook for any large-sized rts from there is dwindling. Australia, with a smaller acreage, furnish much less wheat than during the past season; and Argentina the present remains an unknown quantity. Were it not for the very e stocks carried over it is doubtful whether this year's surplus of rting countries would anywhere near cover the demand from import- ones. Fortunately no actual scarcity will exist, but the higher l which has been established now is probably justified. There o longer such super-abundance of wheat as had existed for many s.

We are still way out of line for export with the balance of the rd, but the parity is less than it was, and on any further con- rable adjustment there is at least a possibility, although as yet a probability, that later on some wheat or flour might be exported the Pacific Coast either to the Orient or to Europe, this being only place in the United States which really has a surplus which ot be used in its adjacent territory and which has to be moved distances to the east or to the south at a very heavy cost.

There were some moderate rains overnight at various parts of as, where they will do lots of good, but they were too much tered to affect a large territory. The weekly outlook also does hold out much hope for moisture; but if predictions materialize e might be some showers during this period; but in the main tem- tures will remain high, either normal or above.

Primary receipts were 905,000 bushels compared with 1,177,000 week and 816,000 a year ago. Not a single market received a e quantity, the biggest receipts being at Minneapolis- over 200,000 els, and it is quite evident that these must come from other termin- as it is too early for spring wheat to move. Stocks at Kansas City th and Minneapolis so far this week show a decrease of 240,000 bus. ardly know of a single point where we may expect large increases e visible supply on Monday, so we assume that the increases will ery small, and that it will not be very long before we shall have eases.

Under the circumstances, anticipating no great pressure in the of new hedging sales, and with a generally bullish sentiment exist- which has also infected European speculators, still higher prices quite possible. At the close wheat futures showed an advance of 4¢ per bushel from yesterday.

There being no material relief in the way of moisture in the corn belt this cereal was heavily purchased again today, reach- new high levels on this movement; and closed 1 1/4¢ per bushel yesterday.

Oats also were strong; and rye was the star performer, closing 3¢ higher. This cereal seems to be in an exceptionally strong ion unless further importations should put a damper on prices. are practically no receipts, and many farmers are even compelled y seed from terminal points in order to sow their next crop.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

August 6, 1934

Continued deterioration of the Canadian wheat crop, after ur own had been partially destroyed a long time ago, changed the hole world picture. Some time this month there will be an-ther world's wheat conference, among the chief importing and xporting nations, for the purpose of establishing quotas for the xporting countries and of making other regulations to prevent ow prices for wheat. But, needless to say, when the delegates eet they may adjourn immediately, unless the conference is alled off; because there will be no work for them to do, as ature has accomplished what all their efforts failed to bring bout last year. Wheat crops all over the world will be small nough, in our opinion, to make any artificial interference nnecessary to prevent low prices. The era of the wheat de-ression seems to be over and may not return for some time.

It had its beginning in the futile effort of Canada, the nited States, and the various governments on the European con-inent to maintain artificially high prices and their adver-isement that they would employ to the full extent their re-ources in this direction. This brought on abnormally large creages with tremendous accumulations of wheat. The latter are ow largely reduced and will be more so, probably requiring a umber of good crops in succession before supplies might again ecome burdensome.

This is the one redeeming feature of the drought calamity. igher prices prevailing now will also be at least a partial ffset, benefiting those who had been fortunate enough to have odest yields,thus increasing their buying power. Furthermore, or the 1935 crop it is reasonable to expect that satisfactory evels will exist when we start the year with only modest sur-luses; and therefore it is possible, and to be hoped, that the armer's income will be more in line with other commodities which e has to buy.

As both Liverpool and Winnipeg were closed, we had no quota-ions from those quarters to guide us. Rotterdam showed that its utures had advanced over 4¢ a bushel; and if this is any cri-erion we may expect very strong cables tomorrow. They would be ue in any case, owing to the sharp advance here today.

The lack of rain in the three Canadian provinces during the ast 48 hours was the dominant factor at our opening, and it is ecoming more generally recognized that both the United States nd the world at large will face an entirely different problem rom any which has confronted them since the war or since the ost-war period. It is easy to prove statistically that finally here will be no shortage but rather plenty for all purposes, ut this will be the case only provided the farmer is willing to ell the greater proportion of his raisings; and he will do this nly if prices are sufficiently tempting.

Speculation, meanwhile, always imbued with confidence and ecognizing no danger signals, will probably put price levels igher at times than they should be. Caution will be needed when letup in the consumer demand or recessions in Europe are seen. ust now Minneapolis, the greatest milling center in the United tates, is stronger than any other market and the millers there, ore than any others, are feeling the pinch of the shortage as he spring wheat territory whence they draw their supplies has een hardest hit of all.

(over)

The open interest is increasing very rapidly, being now 163,000,000 bushels. This perhaps is the only part in the situation at present which might call for a little caution, as there is no short interest and of course if a number of longs should wish to liquidate all at one time the result is easy to guess. As long, however, as the drought continues in the Canadian northwest and the situation remains inherently sound, we do not look for any permanent decline just now.

Primary receipts were large, 1,284,000 bushels, much the same as last year when they were 1,226,000 bushels. The visible supply increased 2,209,000 bushels and is now 22,000,000 bushels less than last season. Very little attention was paid to statistic and as long as prices continue to advance the movement of wheat will keep up, moderately at least; but on any declines we look forward to a very sharp dropping off in farmers' sales.

At the close there was an advance of 3 3/4¢ per bushel compared with Saturday, top figures not being quite maintained due to realizing sales.

As for corn, there were some rains in Illinois and Iowa where very desirable, although they did not completely cover the territory in either state. The southwest continues dry, with excessive temperatures, bringing about more ruin in those territories where such great havoc has already taken place. Primary receipts continue very heavy, 2,579,000 bushels compared with only 366,000 last year. Just as in wheat, this movement will keep up as long as prices are so attractive to the farmer, particularly on the corn which was stored under government seal, as the loans can now be paid off at tremendous profit to the owners. The visible supply increased 4,560,000 bushels, but the total is still less than at the same period of 1933.

Rye continued as the star performer, establishing new high levels. As European markets also advanced very sharply, the danger of imports is no greater than previously.

Oats made new high records.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

August 7, 1934

Dollar exchange weakened today to $5.06 per pound sterling,
Canadian exchange went to the extraordinary premium of about
/4 per cent. At one time last year it sold at a big discount.
a free gold market in both these countries such a premium
ld be impossible, as the gold would be shipped to Canada at
ood profit. With many regulations there, however, this is im-
sible. It is indicative of the strengthening position of
neighbor, of the sentimental improvement in their financial
ucture, and the doubt abroad concerning prospects of our main-
ance of the gold standard even at the present reduced content
the dollar. Gold stocks gave no indication that this situation
made any impression here, but this may be partly due to
eral discouragement in all values and the declining stock mar-
e, which always makes it necessary to sacrifice the best values
protect others. As far as grain markets are concerned, this
important only as an indication that inflation possibilities
never be left entirely out of calculations.

Liverpool cables were extremely strong before our session
ned, showing even a much greater advance than took place here
terday and totaling about 5¢ per bushel. Extreme prices were
held, and the close showed a gain of approximately 3¢ per
hel. Our market was immediately confronted with heavy realiz-
sales, and it was surmised that one big operator had sold a
ge enough quantity of futures previously accumulated to satisfy
t newcomers. In our market letter yesterday we mentioned the
sibility of such a contingency, with an open interest which had
dually grown to 163,000,000 bushels. This necessarily created
eaker undertone, and for a while there was a decline of 2¢ a
hel from the top and one cent compared with yesterday's close,
finally futures closed 1/2-cent higher than yesterday. These
ller fluctuations do not change any of the fundamentals which
ught about the recent sharp rise and which will undoubtedly
ng new speculative buying to the front from time to time.

There were no rains of any consequence in Canada. Prospects
for some scattered showers in portions of the territory but
hing is in sight to materially relieve the situation.

Primary receipts today were 844,000 bushels; but of that quan-
y 358,000 bushels were unloaded at Chicago and 202,000 at
neapolis, leaving for the remaining ten reporting points only
,000 bushels, an average of less than 30,000 bushels. The rea-
we separate Chicago and Minneapolis is this: The movement to
former on a large scale is practically ended now; and the
eipts at the latter are mostly a duplication, because with
ir short crop it is unthinkable that that market should ever
eive large quantities. In fact, we have a message today from
neapolis stating that the spring wheat movement will last only
ew weeks and that the government is the best buyer on the floor
seed purposes and will pick up anything they consider suitable
such use.

(over)

This can easily be explained if we consider that for South Dakota, for instance, the latest government estimate is for a cro of only 3,447,000 bushels. Now during the years from 1929 to 1932 the annual wheat area of that state was over 3,000,000 acres which alone would requiremore wheat for seed than was raised ther this year. Thus distributions are absolutely necessary.

As far as the winter wheat movement is concerned, referring to Kansas, the largest producer in the belt, we are advised that at least 50 per cent of the crop has been moved and at least 10 per cent more will be needed for seed. For the rest of the crop year therefore, we shall probably have the lightest primary movement o rec ord in the past 20 years.

Outside of a few scattered showers over a large territory ther was not much precipitation to bring added benefits to the growing crop. Everybody is looking forward to the next government report which will come out on Friday, but the consensus is that the figures then issued will not show improvement over what the private experts reported. If this is true, the whole feed situation will be a calamity.

Rye again continued the star performer and gained more than any other cereal. Oats are statistically in a very strong position but remain more or less neglected.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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WINNIPEG GRAIN EXCHANGE
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FORT WORTH GRAIN AND COTTON EX.

August 8, 1934

Numerous and varied guesses are being made as to the loss
f wealth in this country due to the drought. It seems to us that
he farmers in the aggregate will be the smallest losers, although
he individual losses of a great number of them must be disastrous,
ecause the distribution is so uneven. We have come to this con-
lusion because in all probability the total of farm incomes this
ear on account of the great enhancement in prices ought to equal,
f not exceed, that of last year.

Our most important crops certainly will bear this out. There
ill be no hardship among the cotton growers; their incomes will
robably exceed last year's and be much higher than in the previous
epression periods. Assuming the corn crop to be one-third less
han in 1933, it will easily be made up in the price. Certainly
he tobacco grower is doing very well. The smaller wheat crop
ught to bring as many dollars as the larger one last season. Per-
aps 10 per cent of cattle have to be sacrificed for lack of food
nd water, but values are so much higher that the other 90 per cent
ill make up for it. The same refers more or less to other animals.
owever, the indirect losses may be felt very severely. The con-
umer is the one who finally will have to pay for this drought.
rices of all foodstuffs are rising rapidly and as there is no in-
rease in labor or employment, the additional cost is coming out
f his pocket. Naturally, railroads will suffer. Less labor will
e needed to take care of the smaller crops, and many other ad-
erse conditions could be enumerated.

Liverpool cables were practically unchanged at the close of
heir session; they had been lower at times but a recovery took
lace.

Owing to the shorter crops of most continental nations it is
ecessarily assumed that import requirements this year will greatly
xceed those of last season. It was not expected that this would
how up so early on account of the heavy stocks carried over from
revious crops. It is therefore very significant that so far for
he first five weeks the exporting countries have cleared 59,355-
00 bushels compared with 55,659,000 bushels last season, or
,700,000 bushels more, which if continued at the same rate, would
mount to an additional 40,000,000 bushels this year. It is not
nlikely that later on this ratio of increasing demand will grow
ompared with last season; the requirements might finally reach
75, to 600,000,000 bushels compared with 517,000,000 for the year
nding July 31, 1934.

From the present outlook Australia will export less; Argen-
ina still remains an unknown quantity; the Danubian provinces have
hort crops. Consequently Canada would be the only country in a
osition to furnish the excess amount needed. It is also well to
onsider that the United States cleared about 30,000,000 bushels
ast season, which she will be unable to do now. One must always
ake the proviso that Russia, which is such an unknown factor,
ight in spite of her extremely poor crop, come unexpectedly on
he market with heavy shipments, if prices are very high. Even
efore 1914 that country always was in a position to scrape up
ome extra supplies when prices were tempting. It is true there are
signs of that yet; and ordinarily this is the period when Russia
tarts as an exporter, whenever she has a surplus to dispose of.
is quite plain, therefore, that the outcome of the Canadian
rop becomes more and more important, although with their large
arry-over still existing, no real scarcity need be feared.

(over)

The latest report from one of the most prominent and reliable elevator concerns in Canada estimates the yield in the three Canadian provinces at about 262,000,000 bushels, which is very much less than any figure so far this season, crops having gone back continually. Rain is still badly needed and is not forthcoming.

Domestically also the situation is strengthening. At Minneapolis, the great milling center and outstanding in this respect, futures markets are selling higher than anywhere else except perhaps some Durum wheat, which is a specialty. Fancy premiums are being paid for cash wheat in various markets. The bulk of the spring wheat in the northwest is selling at 5 to 10 cents premium over the future, which is now about $1.16½; and none is selling at less than 5 cents over.

Besides, wheat prices are benefiting from the great strength in all other cereals and the diminishing receipts at primary markets. Today receipts were only 692,000 bushels compared with 827,000 last week. A movement as small as this is comparable to what usually happens the second, rather than the first, half of the crop year. The closed showed an advance of 1 cent per bushel.

There were only a few unimportant showers in the corn belt and some good rains at a few points in Minnesota and South Dakota, but the temperatures in Nebraska and Iowa as well as in Missouri and Kansas continue high with practically no precipitation. This caused higher prices for corn, oats, rye. and barley. Even other feedstuffs in which futures trading does not prevail are all increasing in value, and it is more and more recognized that it will be a grave problem the coming season to obtain the supplies necessary to keep our livestock fed and avoid depleting their numbers too severely.

UHLMANN GRAIN CO.

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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO

August 9, 1934

Broomhall estimates this year's world import requirements at
,000,000 bushels compared with 528,000,000 last season. He fig-
s that they can be supplied as follows:

Canada	288,000,000 bus.
United States	8,000,000
Argentina	160,000,000
Australia	96,000,000
Danube & France	24,000,000

omits Russia entirely, apparently feeling that she will not be an
orter this season.

It will be observed that Canada must furnish exactly 50 per
t to fill the needs of European and non-European countries. This
a large task. The Canadian crop this year is estimated at less
n she will be called upon to export, so roughly speaking every
hel of this season's production will be needed for abroad and her
e requirements, estimated at 106,000,000 bushels, will have to be
nished from the carryover, which may amount to about 190,000,000
hels, thereby reducing it to more moderate proportions.

Inasmuch as the bulk of the Canadian stocks are controlled and
centrated with the government, one is reminded of the time in Egypt
n Pharaoh stored up enough wheat during the fat years to carry his
ple through the lean ones which followed. Joseph of old did the
tributing in a judicious way; and the Canadian government is for-
ate in having at its head an experienced grain man who will doubt-
s do likewise. Certainly Canada will be the keystone of the whole
at situation, and without its supplies the world food question
the coming season would be on most dangerous ground.

Liverpool market continues to remain strong, although it did not
ance any further. However, with such moderate pressure in the way
sales from other countries, we think their futures are still very
ap and will improve in due course of time. Early during our ses-
n there was a moderate recession; but when the news was flashed
n New York that the government has nationalized silver, immediately
ation fears came to the fore and a rapid advance took place. Bet-
feeling was also stimulated thru the enormous rise in corn prices.
ry time corn advances faster than wheat we shall have to bear in
l that there is a prospect now of an increase in the consumption of
at thru animal feeding. Of course this would take place in such
es only where the farmer has wheat for sale and on which he would
to pay freight to ship it to terminal markets; and where he is
't of corn which he would have to buy a good distance away and on
h he would have to pay freight. There may be a number of such
s where it will be cheaper to feed wheat than to ship it.

Cash wheat continues to remain strong everywhere in spite of the
that the flour business is not particularly good at the moment.
ral large consumers, who had not purchased early in the season,are
id to meet present prices and are still holding back. However, re-
ements for the next ten and one-half months will have to be cowered;
rs are not discouraged and cash premiums are not easing any. Pri-
receipts of wheat were 811,000 bus. compared with 833,000 last
, showing only a slight decline; but this is entirely due to the
ting prices which are being paid now, and the movement would drop
very quickly should we have any break in the market.
The dollar exchange weakened considerably today compared to both
ish and French currencies. This clearly shows that foreigners are
impressed with the various measures taken here as leading to in-
ion and possible further depreciation of our currency. Their opin-
is more valuable insofar as it is not just conversation, but they
backing up their beliefs with actual transactions.
At the close the wheat market showed an advance of 1 1/2¢ over
erday's close. Private crop experts continue to reduce their es-
tes of the coming corn crop. If they are correct the shortage of
stuffs will be so great that normal requirements could not be cov-
, and it will necessitate a price level so high that compulsory
ctions in feeding must take place. This will act as a corrective;
just how high prices will have to go before the results are accom-
hed it is difficult to tell. Corn futures, which had been going up
st daily for a week, were lifted again today 3 1/2¢. Oats and rye
also higher in sympathy with the other cereals.

DAILY MARKET LETTER

MEMBERS:
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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 10, 1934

Nationalization of silver, which caused so much excitement yes-
day, was not an important market factor today. The consensus was
t as far as being an inflationary measure is concerned, it prob-
y may run only into the hundreds of millions of dollars, while we
e been educated to governmental measures involving billions.

Europe, however, lays more stress on it and dollar exchange re-
ned weak compared with European currencies. The silver action is
y indicative of what we may expect, as it comes as an additional
along with all the others which have been passed before, all work-
in the same direction.

The 40 per cent reduction in the content of the gold dollar alone
ht to increase price levels 70 per cent. The reason that this has
occurred already is due to the fact that it usually requires a
g time for the adjustment to come. This was more so the case be-
se the world values at large were still being deflated, particular-
in the gold countries. However, with the drought, which was world-
e and which also caused higher prices for foodstuffs abroad, the
nces are the world deflation is over; so that this feature will no
ger be a deterrent to higher values here. Domestically, of course
h increasing cost of living, wages must finally rise. This will
n higher expenses for relief and for everything which the govern-
t requires; more money for battleships, and for the army and navy.
turn this will cause bigger deficits and larger borrowings. It is
estimated that deficits might run up to 5 billion dollars this
r, in which case borrowings would have to take place at a rate of
million dollars a month, outside of the conversions which will
e to be taken care of. So inflation is in the air. Confidence
ll exists that with our great wealth and ability we might overcome
and any obstacles and delay it for a time. But in making calcu-
ions on the value of commodities, it is always well to bear in mind
t, according to many economists, seems to be the inevitable out-
e of our present policies.

Cables were extremely strong today, the main futures advancing
ost 2 cents per bushel. Their price must now be fairly in line
larger Canadian exports. In the latter country temperatures con-
ue to be very reasonable and cool, but with no moisture there is
chance for much improvement in the crop outlook; and as the har-
t will commence very soon we may assume that present estimates on
p prospects will not be materially changed.

There was conservatism, as there always is on days when a govern-
t report is coming out, to even up as much as possible to prepare
any surprises. This was the case today. Trade was somewhat
ller, fluctuations lighter and the close showed a decline of 1 1/4
ts per bushel for wheat.

The underlying conditions in wheat continue to remain very strong.
nary receipts were only 646,000 bushels, and show a large decrease
n last week when they were 932,000 bushels; and also making a poor
parison with last year when they were 862,000 bushels. One-third
the receipts were in one place, at Minneapolis, as the spring wheat
ement is on there at the present time; but, of course, with the
rt crop this cannot last very long. Therefore it is clear to antic-
te how small receipts will be shortly.

Stocks at Kansas City, Duluth and Minneapolis so far this week
an increase of only 58,000 bushels, pointing again to very small
rease in the visible supply on Monday.

It is useless to make any guesses as to the immediate course of
market, as so much will depend upon the government report to be
en out this afternoon. There were much better rains in several
ts of the corn belt, particularly Illinois, Indiana and Iowa, but
were not heavy enough to satisfy traders; and although more pre-
tation is expected, the corn market acted very firm and actually
sed 1/2 cent higher than yesterday.

Some grain dealers send in some very bullish estimates on the
low cereal; but we now have to wait for the highest authority to
ish its estimates before coming to further conclusions.

Oats and rye followed almost every fluctuation of the sister
eals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 11, 1934

We have seldom witnessed, in peace times, such an array of news
ns overnight affecting cereal markets as developed before this morn-
's opening. Government reports both in this country and in Canada
e issued at the same time. The former was construed as bearish in-
uch as its figures were higher than the average of the private ex-
ts, whereas the trade had been in a mood to expect that further de-
ioration might have taken place. The Canadian report gave only the
dition and was variously construed as bullish or bearish. The trade
general assumed that it would mean a crop for the three provinces of
,000,000 bushels, but if figured on the long-time average and re-
ed acreage, the Searle Grain Co. indicates that it would amount to
y 248,000,000 bushels, which would be much smaller than last year
very constructive.

More important than anything else was the report that Secy.Wallace
templates dropping the crop reduction program for 1935. With the
h prices prevailing, weather permitting, we might in this event ex-
t an immense acreage the coming season. A certain psychology will
o come into play in this connection, for with the removal of the
t season's restrictions the farmer will feel at liberty to plant as
h as he chooses and probably will take advantage of it to the full-
extent. Inasmuch as we have plenty to provide all domestic wants
s season, a large carry-over would not be needed if we could be as-
ed that next year's crop would produce a reasonable amount above
mal consumptive requirements. Liverpool, which had all this news
ore our session opened, showed immediately its reaction in a de-
ne of 3 1/2 cents per bushel.

On the other hand, the Treasury's new measure to issue silver
tificates at $1.29 per ounce is very inflationary and of itself
ld have caused much higher markets this morning had it not been
the many other depressing features. Dollar exchange was weaker
in compared with foreign currencies; and while stock exchanges
ept this further measure of inflation very complacently, we rath-
feel that it will be followed by others until some day the seri-
ness of our large expenditures, which in turn compel heavy bor-
ings and other artificial devices, becomes thoroughly appreciated
finds expression in increased commodity values. The further fact
t our total open interest in wheat, corn, oats, rye, and barley
reached 307,000,000 bushels, practically all hedged grain with
short interest to speak of, caused a very weak technical situa-
n. Our market opened practically at the minimum limit for wheat.
n and other cereals had a moderate recovery which, however, did
hold and at the close practically everything was at the downward
it for the day, wheat being permitted to decline 5¢ and corn 4¢.

With all this information now in hand, it is well to have a
tle review. The wheat crop of 491,000,000 bushels, with a carry-
r of 290,000,000, total 781,000,000 bushels, would give us a car-
over of about 181,000,000 bushels on a minimum consumption of 600-
,000 bus. However, allowing for some extra feeding and possible
orts to some nearby countries, this might be further reduced about
000,000 bus. which would still leave enough, but higher prices would
required to draw it all out from the farmers. It must not be for-
ten that the farmer never sells his last bushel of wheat, and we
t have on hand at least a couple of months' supply of wheat and
ur to feel confortable. We expect also that with this reduction in
ces the wheat movement will be much lighter and we see nothing pan-
y in the situation. Although there may be some further declines,
probably will be on Monday as all selling orders could not be
led before the close, we rather think that on any heavier consumer
ing we shall see an upward reaction before long. Little attention
paid to statistics. Receipts were again small compared with last
k and last year and we look for only a very small increase in the
ible supply on Monday.

The corn report is a very bullish document and can be construed
bearish only from the point of view that some private experts had
us to believe it would be still worse. The crop estimated at over
,000,000 bus. less than last year and probably 100 to 150,000,000
s to carry over, in conjunction with the very bullish reports on
or crops such as hay, forage, etc., makes a very impressive show-
. Not enough animal food has been raised for normal requirements.
er the technical situation has been adjusted through further li-
dation, we look for considerably higher prices. Oats and rye
ched their minimum and for the same reasons as given for the
er cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
GO BOARD OF TRADE
RK PRODUCE EXCHANGE
ORK COCOA EXCHANGE
K COFFEE AND SUGAR EX.
ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 13, 1934

Inflation fears were no factor in the grain market today, nothing
eveloping, but we always have to be prepared in case it might come
sme unexpected time. The president had promised a closely bal-
e budget by July 1, 1935. This was based on the assumption that by
t time business would have recovered sufficiently, through various
eal measures, so that expenses for public works and for relief
l be suspended. However, the drought situation has altered the pic-
e and very few economists disagree that one of two things will have
ppen: Either much improved business, which would bring increased
e and reduced expenses, or some more inflation. Through destruc-
of wealth owing to the drought, further poor export business with
onditions in Europe, and with the poor railroad outlook which is
an influential factor in this country, there are no signs yet of
nent increased volume of orders so that the heavy governmental
ditures could be dispensed with.

The bad technical situation in wheat which existed before Satur-
drop seems to have been corrected. There was an undue panic
day which first started with the report that there will be no
lsory artificial reduction in wheat acreages; and as there were no
s, declines came about very quickly and this in turn created a
pessimistic feeling. Saner thoughts today brought about a reac-
in sentiment. It should never be forgotten that at the present
we have 140,000,000 bus. less wheat than we had the same period
33. It is true that possibly we shall need 30,000,000 bus. less
were exported last season, but otherwise the consumption must
e same and might be even more should a larger quantity be given
imals in place of corn or other substitutes which are scarce.
fore fundamentals have not changed; and with the realization of
we cannot conceive any very low prices except possibly the second
of the year when new crop prospects will be the dominating factor.
Primary receipts were quite large, 1,273,000 bushels compared with
,000 last year. When it is considered that half of the receipts
at Minneapolis, they have no great significance. There is only
ittle stretch of territory which had a good crop this year in the
west, and it is impossible to have a large movement to that
r for any length of time. Receipts everywhere else being so small
ndicative of the fact that the winter wheat movement on a large
is over. The visible supply showed an increase of 995,000 bus.
red with 1,207,000 last year, and the total is 22,8 3,000 bus.
er than in 1933. We anticipate a heavy milling demand before
which can only be supplied from terminal points. After a sharp
break there was a good recovery, the close being only about
ent lower than Saturday.

There was never a period since records have been kept by the Ag-
tural Bureau when we have had two such corn crop failures in suc-
on as the last two years. In fact, this season's estimate is the
t since 1901, and following another short crop in 1933 makes it
traordinary situation. This is particularly the case when it is
dered that the oats yield is also the lowest per acre since 1866;
hay production is expected to be 27 per cent lower; and grain sor-
16 per cent lower than any the last 15 years. In other words,
are no substitutes available; and if we finally get along with
has been raised, as we certainly shall, it is because prices will
to rise high enough so that consumption for animal feed will be
ly curtailed. It is true we have about 22 per cent less hogs to
, and hogs generally take about 40% of all the corn raised, or say
,000,000 bus.; so there will be a saving there of about 220,000,000
There will be other economies, but nevertheless it will be a very
shave to get through the season without some hardships. There
some rains in the corn belt and possibly there may be some improve-
in the outlook of the central states, but the southwest is still
backward and the total increase cannot be very considerable, too
damage already having been done. The corn visible supply showed
ry large increase. Primary movement is also heavy, and this is bound
ontinue as long as the farmer can repay his loan at 45¢ to the gov-
ent, ship the corn to market, and realize a good profit. On the
r hand, we must anticipate that when the new crop comes on the mar-
receipts probably will be the lightest ever as we cannot expect any-
g different from such a short crop. After an early break there was
od recovery, final prices being practically unchanged. Rye was
icularly strong all during the session, and oats followed more or
the fluctuations of the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
V YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

August 14, 1934

Confirmation that Germany, through an official decree is ad-
itting all grains free of import duty, is another indication of this
ar's widespread drought and how it affected many other countries
han the United States. We hardly believe that Germany will be a large
porter of cereals for financial reasons, but nevertheless no such
asures would have been taken unless the necessity for importing hu-
n and animal food were exceptionally urgent. This is particularly
as the Hitler party is greatly dependent for its continuation in
ffice upon the support of the Junkers, who represent the agricultur-
interest, and who are constantly pressing demands for protection
d higher prices for their products.

There are other indications of how much greater the world demand
ll be for wheat and flour. From July 1 to August 10, about 40 days,
e importing countries absorbed 71,000,000 bus. of wheat compared
th 64,500,000 last year, an increase of 6,500,000 bus. Considering
at they had started with very much heavier stocks than in the pre-
ious season and that the actual scarcity will probably become more
nifest toward the end of the season, the showing thus far is quite
pressive. It is not, therefore, surprising that Liverpool cables
re extremely strong, showing an advance of about 1 1/2 cents per
.

The strength from abroad and also the fact that Rotterdam had
en considerably higher gave quite a little encouragement to the
lls; but for the present it seems as though the speculative element
wheat is more impressed with the extreme scarcity of corn and feed-
uffs. Opinions also wavered some on account of fair amounts of
in in the southwest and the soil condition there will be watched
th the greatest interest from now on. The mills ordinarily carry
least one or two months' supplies, or approximately 100,000,000
s., from one season to another, which could be greatly curtailed
ould the outlook the coming year be much more favorable and the
reage not be materially reduced. Consequently, prices for the first
lf of 1935 will not only depend on the size of the carry-over from
is year, but also on the prospects of the future crop.

Primary receipts were much the same as last year, 739,000 bus.
rsus 757,000 bus., somewhat smaller than last week. Minneapolis
owed great strength, more so than our market, and at times large
vances in rye and corn were quite a help to wheat, which other-
se did not show the great strength that it did last week. At the
ose the market showed a decline of 2 cents a bushel.

Chicago stocks of wheat in both public and private elevators
e 7,597,000 bus., and we would not be surprised if this should be
e maximum amount reached this season. We base this opinion on the
act that futures in Minneapolis are selling about 6 cents per bu.
gher than ours, while in Kansas City, although lower, they are 5
10 cents out of line for shipment, freight considered. There is
chance that Chicago will receive a bushel of wheat from any other
an the nearby territory of Illinois, Indiana, etc., and the move-
nt from these points must be nearly over. If we further consider
at of this stock only about 2,500,000 bus. is contract wheat in
blic elevators, part of it hard wheat bringing a big premium, we
ink that during the whole year deliveries will be very light and
ere will be no particular pressure through forced liquidation by
ners receiving large quantities of wheat on their contracts.

Corn and rye have more friends than any other cereal. It is
indisputable fact that there is not sufficient rye in this coun-
y for even the minimum amount of consumption, and we shall have to
pend on importations. Russia and Germany are the biggest rye con-
umers and growers. If a country like Germany needs importations, there certain-
will be no need for any other European country to sacrifice its
rplus. Consequently, the number of countries from which we can
aw supplies this year is getting smaller. Both Argentina and Can-
a will have some to spare, but not in overwhelming quantities; and
ye in Canada advanced almost as much as we did. The weather in the
rn belt was more favorable, but unfortunately the precipitation
too late in some states to bring about much improvement, although
will do good in a few territories. We have to be reconciled to the
act that feedstuffs are, and will remain, scarce until this very
or crop will be succeeded by another of better yields.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
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MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 15, 1934

Germany's poor crops this season, forcing her into the importer
ass, a fact which had not before been reckoned with, would or-
narily have been construed as very bullish had it not been over-
adowed by the anticipations of the trade early concerning the
ture of the President's address today to the press in which he is
set forth his views as to measures for the prevention of high con-
ner prices of foodstuffs. Under such conditions, there is always
fear that the exchanges might again be interfered with, which
reed heavy liquidation today.

Later on Germany's situation will develop into a very favorable
tor for prices, as her crops are all reduced this season by the
llowing amounts: wheat 55,000,000 bushels, rye 56,000,000, barley
,000,000, and oats about 30,000,000. Inasmuch as hardly an ex-
rting country will produce more this year than in 1933, any extra
nands made upon them ought to be very helpful to prices.

The opening of our market was also influenced by very weak cables
l there was a drastic decline amounting to almost 2 cents a bushel.
a good recovery took place when the President's views of the
ought situation,and the administration's likely measures, were
ven out to the world. What we infer is that no insane speculation
ld be tolerated to boost commodity prices, in a speculative way,
ove intrinsic values; and comparisons were made with what happen-
in July a year ago. However, conditions now and what they were
n are as totally different as night and day. In July, 1933,
at futures advanced to as high a level as $1.29 despite the fact
t this country had a carryover of about 100,000,000 bushels larger
n than now and a crop 40,000,000 bushels greater. Europe also
orted bumper yields everywhere; and the contrary is the case this
r, at least in some parts of the world. No bull speculator,
has purchased wheat futures on the assumption that legitimate
ditions, caused by the drought and short crop, justifying higher
ces, has anything to fear from the administration's measureswhich
ld be effective only in case of rank manipulation. There was
dly a period in Chicago's future trade when there were less big
es held threatening the market than there are at the present time.
n one considers that cash hard wheat is selling at Omaha about
ents a bushel higher than the Chicago future, when it would cost
cents a bushel to ship it here, that wheat at Kansas City is bring-
better prices than Chicago futures, and that Minneapolis cash
at is selling 10 to 15 cents higher than here, nobody can talk
ut an artificial market. Minneapolis and Kansas City are the twO
gest milling centers in this country; and if consumers there pay
so prices, it is because wheat is not obtainable for less.

Very little attention was paid to statistical news which con-
ues to be very bullish. Primary receipts were only 768,000 bus.
shipments were 697,000; so it shows that the time for accumulation
nearly passed. Chicago receipts were the lightest on the crop.
er further liquidation at various times during the session, great
ength at Winnipeg stimulated buying here and a good recovery took
ce, the close being only about one cent per bushel lower than yes-
day. We expect a very strong cable tomorrow in face of the
ength shown in the Canadian markets; and if so, further upturns
likely unless something unexpected intervenes in the meantime.

Inflation is dormant at the present time. Like many other
ubles,it is not being generally recognized in its incipiency, nor
l it be until many other symptoms make it clear what is happening.

Corn showed extreme strength all during the session; and while
times it weakened in sympathy with wheat, the declines at no time
e very considerable. There was another report out from one of
private experts estimating the crop considerably less than the
ernment's last figures. We do not believe it will make very
n difference whether the yields are somewhat more or less. We
enough so that we must consider the feed crop situation a dis-
er. It will be/difficult task to feed the animals and it prob-
can be accomplished only thru high levels which will compel
ghtering of a great many animals so their numbers will be large-
reduced.

Oats were a trifle lower; but rye was higher and the inherent
ation remains very strong.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
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141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 16, 1934

Sterling exchange was practically unchanged today. Inasmuch as nearly all the central banks in Europe, as well as our Treasury here, are willing to receive or pay gold whenever its market value permits shipments to and fro, it is not likely that we shall see any violent fluctuations for the present. Liverpool futures were considerably higher, recovering from an extreme depression of several days past. This was considered as very encouraging and our market showed an appreciable advance at the opening. The shock, however, which it had suffered with a decline of almost 10 cents from the high point, and fears of official interference in the event of violent fluctuations, has had quite a restraining influence on new orders, and trade was extremely light compared to what it was. Also the large quantities of wheat which had been liquidated have not yet been thoroughly absorbed.

In the long run the supply and demand situation will be the dominating factor, and in this connection we are much impressed with the lightness of primary receipts with only a month and a half of the crop year gone. Today they were 669,000 bushels compared with 1,000 last week and 736,000 bushels last year. The shipments were only a trifle smaller than the receipts. It is very seldom that primary receipts are lighter than this even in January or February, so it is easy to imagine what they might be early in 1935.

There is no question that speculators have become discouraged of late; and for the next advance, therefore, we shall have to look to actual reduction of stocks through consumption, which in turn would necessitate taking out of hedges to lighten the load.

So far this week Kansas City shows a decrease of 37,000 bus. which while not large is an indication of what might be expected. Duluth and Minneapolis show increases, but as the spring wheat movement cannot last very long, this must also be regarded as a temporary condition.

During the last hour there was more liquidation and the advance was almost all lost except 1/8 cent per bushel. However, the outside domestic markets, which are affected more by the cash situation, did considerably better, Kansas City closing 3/4 cent higher.

The aggregate income of the German people for the second quarter of 1934 amounted to three billion dollars, according to an estimate of the official German Institute for Business Research. The figure was an increase over the first quarter, and therefore it may be safely estimated that the total annual income of the ,000,000 German people is not more than twelve billion dollars. This is considerably less than the amount the 125,000,000 people in the United States spend yearly for their normal expenses, federal, municipal, state and other governmental institutions. Were we to add to this the emergency expenditures we would reach a total very much larger. Although we fully appreciate the great resources and wealth of this country, and the much larger incomes, yet we cannot do the impossible and some day we must think about reducing our vast expenditures and balance our budget. Everything will then be affected whenever that day arrives: wages, farm prices, industrial volume, etc. At the present time the great governmental expenditures are the important influence. This can be only temporary and not permanent.

The corn market was largely influenced by much more favorable weather. Copious rains fell in many states where corn is raised. At least deterioration of the crop must have stopped; and the very pessimistic reports, which were given out yesterday, ought to be the minimum of what can be raised and in all probability we shall hear of some improvement from now on. The market closed about 3/4 cent lower.

Rye and oats sympathized with the movements of the other cereals all during the session.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

August 17, 1934

Cables were extremely weak, declining over 2½¢ a bushel. The
erpool December future is now selling around 90¢. This caused a
timental bearish feeling, and right after the opening the market
lined about 3/4¢ per bushel. During the session, however, the
y strong cash situation, as many times of late, asserted itself,
asionally bringing about upward reactions. Probably never in the
tory of the wheat trade since records have been kept, was there
h a strong cash situation as we are experiencing at the present
e. As a general rule Durum wheat is selling atbig discounts,
just now the chief market at Duluth sends quotations of $1.16
this cereal. At Minneapolis, which in an ordinary year sells
moderate discounts under Chicago on account of the freight dif-
ence and where many times spring wheat is shipped from there via
uth to fill Chicago contracts, just now spring wheat is selling
$1.17 to $1.20. Kansas City and Omaha are selling their wheat
about $1.02 to $1.04, which is about 7 to 8¢ out of line with
futures market.

The only cheap wheat in the United States can be obtained from
Pacific coast, where a larger quantity has been r aised than can
used in the adjacent territory, and which must be shipped to the
t paying very high freights; so the prices there obtainable to
ir farmers are very moderate. We do not estimate that the surplus
the Pacific northwest willamount to more than 20 or 30,000,000
hels. It is somewhat of a burden at the present time and more or
s hedged in our market, but these are about the only hedges which
to be absorbed now and are not very burdensome.

Outside of this there is only the soft red wheat which is avail-
for contract trade and which is not bringing exorbitant premiums.
is selling for approximately 3/4¢ over the future and is hardening
ht along. This anomaly of all cash wheat selling over the future
gradually being recognized and is causing great narrowing between
nearby and the deferred futures. While at one time September and
ember wheat sold 3¢ apart, the difference has now narrowed to 1 3/4¢
finally that between December and May wheat also narrowed 1¢.

Primary receipts continue very light, 697,000 bushels against
,000 last year. Kansas City, Duluth, and Minneapolis together show
et increase of only 192,000 bushels. Considering that this is the
iod when the movement ordinarily would be very heavy in the north-
t, the increase is insignificant and we doubt, under the circum-
nces, whether there will be much of an increase in the visible sup-
on Monday. At any rate, we anticipate that some time this month
stocks at terminal points will have reached their zenith and from
n on willdecrease during the next ten months. At the close the
ket showed a decline of 3/4¢ per bushel. Part of the weakness must
attributed to the big decline in corn prices which came quite un-
ectedly and undoubtedly was due to distress selling. The trade has
yet quite recovered from the shock received of late from the many
ounded rumors and scares, but we believe that in time the shortage
feedstuffs is bount to assertitself.
Hogs advanced again today 10 to 25¢, the top being $6.60, an ad-
ce of over 30% in about two weeks. As a general rule nothing con-
butes more to the happiness of the farmer than advancing livestock
ces. This naturally is somewhat modified this season owing to the
at depletion of their numbers, but yet the additional income must
a great help. This brings the corn and hog prices much nearer to-
her than they have been for some time, and as the outlook is for
ll higher prices for hogs, it must be assumed that every effort
l be made to feed and raise as many as possible, thereby increasing
n consumption considerqbly. Of course this can only be done in
n territories where animal feed is available, but in larger feeding
es like Iowa and Illinois where the crops had been more favored,
ding ought to be on a sufficiently extensive scale so that the
plus which can be shipped to terminal markets must be very moderate.
We believe that with the extreme scarcity of feedstuffs which
l show up some time during the next twelve months, corn prices
very low and will recover as soon as confidence is restored.
Oats and rye declined moderately, following more or less the
dency of the more important cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

August 18, 1934

After a long period of advancing prices a sharp decline tarted a week ago today, when wheat declined its full limit of cents, which is the maximum fluctuation permitted in one day. orn had a similar fate, declining 4 cents, and ever since it has een difficult to revive any interest which would be constructive o the price level.

There are several reasons for this change in sentiment. Our arket had been heavily overbought, and therefore was very vulnerale to any liquidation. This was started after a more favorable crop reort than had been anticipated was given out by the Department of griculture, accompanied by the news that some changes might take lace in the acreage reduction program; and later intimation from ashington that speculative trade on the Board of Trade would be atched with great diligence. Fears were entertained that free mart trading might be interfered with. In analyzing these different ems which caused the decline, we have come to the conclusion that e wheat crop remains an extremely small one, preceded by another hort one, and supplies should never be burdensome during the seaon. Further comments on part of the Secretary of Agriculture led to believe that no particularly large acreage in wheat will be rmitted; nor are the soil conditions so far very favorable for eding.

As far as our free market is concerned, we do not think that y great fears of changes are justified. So that from now on we pect prices will be governed more by supply and demand conditions.

In the meantime, cash prices have been very strong everywhere d premiums hardening, and the actual wheat did not fully decline much as the futures. The effect of such a short crop as we exrienced naturally does not make itself fully felt when the movent first starts, but there are almost 10 1/2 months to go fore another one will be raised. We think the graudally deeasing receipts, as well as stocks, all will have a tendency to eate more confidence and improve the price level.

There were also periods during this decline when the new silr measures caused a disturbed feeling. For the present this also ll not be a market factor, but inasmuch as it might become more less inflationary, it needs watching, and should not be ignored. r Treasury is supposed to be the biggest buyer of silver abroad, d directly or indirectly, we might not only buy accumulated ocks of silver in Europe, but also in China. Purchases, of course, n only be made in exchange for gold or gold values. Should our ade balance not be sufficiently large to offset these silver purases, gold might have to be exported; in fact a small consignment s made during the week, and more might follow in due course of me. This, together with our continued large expenditures for vernmental purposes, raises the question: How long can all these w measures progress before confidence in our monetary system will disturbed again?

Cables were unchanged today, and foreign news was no great facr. It is still estimated that the world production this year in e northern hemisphere will be about 330,000,000 bushels smaller an the previous season; and inasmuch as last year's crop was just out equal to the consumption, the carry-over having been the same the previous year, it is quite plain that at the end of this op-year there will be very much smaller supplies of wheat on hand an on August 1, 1934.

(over)

The chief decrease probably will be in Canada, as that country is the one which has the largest available surplus. With this in view it is not surprising that the London conference has been a failure, and that practically nothing has been accomplished. As far as the United States is concerned, we do not see how she is interested for the moment in the distribution of exportable surpluses, having none to spare herself; and every other country feels it can find a good market for what it has to dispose of without being restricted in any way.

At the close our market showed an advance of 1 3/8 cent over yesterday's close.

The Winnipeg market did not follow us at all today, probably due to some hedging sales; but when it is considered that their futures are now selling about 27 cents under Minneapol and better quality, with Minneapolis cash wheat bringing high premiums, we think their futures there look very attractive.

Corn weather at the present time is favorable where the plant has not suffered too severely, like in the southwest where a recovery is almost impossible. We are prepared to hear of improving conditions in Illinois, Indiana and Iowa, but not to the extent to change our opinion that finally this cereal will be extremely scarce. According to the last government report, the crop was supposed to be 700,000,000 bushels less than the previous one; even if the gap will not finally be quite as great between the two crops, there will hardly be enough to go around without effecting great economies, particularly when we consider there are no substitutes to take the place of the shortage. We think the decline has been too much and we look for an improvement in values.

Oats and rye were both higher and the undertone is strong.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
V YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
IMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 20, 1934.

Since the farmer suffered most during the years of depression, t is refreshing now to be able to think and write more favorably bout his future prospects. Although no proof was needed, the con- mplated repeal by Washington of tariffs on hay, forage, and pro- bly oats confirms its apprehension as to extremely high prices for eedstuffs unless active measures are taken to prevent a too-rapid se.

Encouragement also continues to come from Europe. Cables from iverpool were very strong today, prices on wheat futures advancing ore than 1 1/2¢ a bushel; from the lowest point reached abroad there s been an advance of more than 30¢ a bushel. This would indicate at depletion of stocks is anticipated there as well as here; so, ooking somewhat ahead to the movement of next year's crop, the whole rld will have reduced its stocks of wheat as well as feed grains to low a point as is consistent with safety and carry-overs will no nger be a burden anywhere. Inasmuch as they had been the only ason for the low prices, it is just as likely that we shall now ter an era of reasonable values, much depending upon the size of e crops; and inasmuch as bumpers are as scarce as failures, an erage crop everywhere would give a very satisfactory level of prices the farmer.

The trade in futures in the Chicago market from last Saturday ek to Friday, inclusive, was as follows:

	Bushels
Wheat	298,173,000
Corn	156,794,000
Oats	35,283,000
Rye	14,771,000
Barley	967,000
TOTAL-	505,988,000

is is an average of 84,000,000 bushels a day, a market value ap- oximately over $60,000,000, which would probably compare with the esent average trade on the New York Stock Exchange of about 0,000,000. We do not think that there has ever been a boom in is country but that it started or at least was accompanied by ris- g values in Wall-st; and additional profits made in this way are ually quickly spent. It helps the automobile business, building, d many other lines of necessities and luxuries.

With greater confidence, doubtless the volume of trade on the changes could quickly be increased. Thus it is important that ch activity be encouraged and stimulated, rather than interfered th to the detriment of all, as long as such business is conducted nestly and ethically.

The higher cables at Liverpool resulted in a considerably rger export business from Winnipeg, bringing advancing prices, which turally had a sentimental effect here. This was one of the chief asons for our early strength; and at the close the market showed advance of 1/4¢ per bushel compared with Saturday.

World shipments were 10,752,000 bushels against 9,622,000 bus. year ago, showing a gain of 1,000,000 bushels, and confirming our lief that importing countries probably will require 75,000,000 shels more this season than last. Primary receipts were 989,000 shels against 1,195,000 in 1933. The bulk was received in the rthwestern markets, but the spring wheat movement cannot possibly st very long. The visible supply showed an increase of 1,794,000 shels versus 2,044,000 the previous year; and total stocks are now

(over)

23,133,000 bushels less than a year ago. We believe that the smal spring wheat crop will soon have the effect of giving us decreasi stocks at terminal points, and that the increases will not last ve much longer.

Hogs were again 10 to 15¢ per cwt higher; naturally as thei value increases there will be more inclination to feed them, and consumption of corn will have the benefit of it. Total receipts o corn at all primary markets from November 1st to date were 162,000-000 bushels. It is easy to imagine, with the very much shorter crop this year, how much less there will be the twelve months following November 1st next. Inasmuch as the price of corn is determined so largely by surplus stocks which go to the consuming markets, outside of feed, we can foresee an extremely strong situation ahead. Stocks at the present time are pretty large, almost 52,000,000 bushels compared with 58,000,000 last year, but we thi the chief movement is over for the next fourteen months.

Ordinarily the news from Washington that it has the intenti to repeal the import duty on hay, forage, and possibly oats would have had a depressing effect on oat prices here, but the inherent position is so strong that not only was there no decline but there was even a small advance. Canada does not raise many oats for export. Last year she exported about 10,500,000 bushels; in 1932/3 11,000,000; 1931/32 13,500,000 bushels; 1930/31 about 8,000,000 bu. Considering that our crop this year is estimated at 545,000,000 bushels versus 732,000,000 last year and 1,187,000,000 average bet 1927 and 1931, the small quantities imported would not amount to much. We also do not look for many importations from Argentine,n from Europe with the short food crops there.

Rye was somewhat lower, but we are more dependent on importations than ever, and with the small crops raised in most European countries it will be more difficult to obtain supplies later on; so we think this cereal is in a very strong position.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
AGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
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MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

August 21, 1934.

On February 28, 1933, just before the present administration
e into power and before the bank moratorium was declared, the fol-
ing wheat prices were quoted in the different world markets:

Liverpool May wheat 46 1/2¢
compared with 97 5/8¢ today

Chicago May wheat 47 1/8¢
compared with 1.07 5/8 today

Winnipeg May wheat 47 7/8¢
compared with 90 3/8¢ today

much of this improvement in values is due to inflation, and how
h to natural causes, would be difficult to figure out. But i[redacted]
[redacted] a rise in values while absolutely sure to follow deprecia-
n in currencies, usually acts very slowly for internal prices.
wheat market must be so considered, as we have been no exporter
speak of for a great length of time and are selling way above
petitors' basis. Even in Japan, where their currency depreciated
much more than in our country, where it started earlier, and where
has now been in effect for about two and one-half years, the
eral level of domestic prices has risen only about 17 1/2 per
t. No better showing is made in the United States for all com-
ities, including foodstuffs.

This demonstrates the great underlying strength in wheat,
what is more remarkable is that advances came about without
ificial assistance of the various governments. In the United
tes, three or four years prior to the farm board activities our
ces were held up through continued political agitation starting
h the proposed McNary-Haugen bill wherein the government practical-
declared to the world that it had the will and the power to raise
ces.

Then came the farm board with its large accumulations. Even
t year prices at times were stimulated through extensive purchases
wheat futures, supposedly as a protection against requirements of
Emergency Relief. At other times the Canadian government sent
porting orders into the Winnipeg wheat pit to prevent declines
to bring about advances.

The world conference has been a total failure, nothing has
n accomplished, and it is reported that it will disband without
arrangements being completed as to the quota which each country
ld sell.

Just now, however, the strength originates with the higher
h prices exacted by the farmers and which the milling interests
e to pay in order to fill their daily orders. This gives us a
nd foundation upon which to build.

Strong cables and higher prices again being quoted at Liver-
l, about 1 1/2¢ per bushel, were a great incentive to play the
l side at the opening. There was also encouragement in sympathy
h the improved tone of the stock market. The reason given for
strength appeals practically to every commodity trader. The
h better feeling in stocks was caused by predictions by a well-
wn English Economist, who sees much greater inflation and conse-
ntly appreciation in all values. Buying orders in wheat, however,
e not large, and it was quite difficult to maintain the advanced
el.

Primary receipts today were light by the way of comparison-
y 804,000 bushels versus 1,003,000 last year, the largest per-
tage again being in the two northwestern markets- Minneapolis
Duluth, which received 565,000 bushels, leaving only about 239,000
hels for all the remaining winter wheat points. Stocks of wheat
Duluth and Minneapolis so far this week show a net increase of
,000 bushels. There is a freer movement now in Canada; and
mers' marketings were 1,355,000 bushels against 1,757,000 in 1933.
the close the market showed an advance of 1¢ a bushel compared
h yesterday.

The underlying conditions which usually affect corn values are
ning in strength right along. Hogs were again higher, same as
ir by-product, lard. All cereals which in normal years are used
substitutes whenever corn is high show a firm undertone, and are
badly needed for various purposes that there will be very little

(over)

left to replace the yellow cereal. Barley is entirely out of reach although lots of it is ordinarily used for feeding purposes; rye is needed for bread and whiskey; and the oats crop is so small that it will dwindle in a short time and we will probably have to rely on importations. Corn closed 1 3/8¢ per bushel higher, and rye as well as oats also showed an advance.

UHLMANN GRAIN CO.

MEMBERS:
ICAGO BOARD OF TRADE
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 22nd, 1934.

Cables before our session opened this morning were unexpectedly rong, showing an advance of about one cent a bushel. This was all e more important as for three days in succession the Winnipeg mart had closed at practically the same price, disregarding the strength th abroad and here. The action of the Winnipeg market is a clear minder that in spite of the comparatively small crop in Canada ere will be a movement from farms of sufficient proportions to supy the immediate foreign and home demands and perhaps some to spare. e fact is, farmers' deliveries are exceeding at the moment European rchases.

The trade was much impressed with this great strength abroad, t when Winnipeg failed to respond and in fact reported still lower ices, sentiment here changed, bringing about a reaction and finally ices showed a decline of 3/4¢ per bushel compared with yesterday.

Regardless of conditions, the market acted somewhat tired. Trade s light and new buyers scarce. A steady movement is going on from e Pacific Coast to the east, competing sharply with the southwest. wever, the well-known fact that we reduced our carryover 100,000,000 shels last year and that there will be a further depletion of 120 t 140,000,600 this season gives us a good foundation and holders of eat are not as easily discouraged as they were in other years when e statistical position was less sound.

Besides, many newspapers and periodicals of late have carried many articles on inflation that the short side is at best very unpular; there are still many capitalists who feel that as a hedge ainst their bank accounts they need to own something tangible, and turally many of them feel that wheat offers one of the best comdities. They also find great encouragement in this belief of ination through the strength in the stock market and the further fact at the government spending continues at a very liberal pace. The ficit for the first six weeks of the fiscal year amounts now to 50,000,000. It would have been $125,000,000 larger had it not en for a great windfall which came to the Reconstruction Finance rporation in the form of repayment of bank loans. Another such ppy event is not immediately in prospect, whereas with the many w governmental agencies requiring additional funds the deficit is kely to mount more rapidly than before.

Primary receipts continue light, being 801,000 bushels today rsus 1,151,000 last year; but in spite of this stocks at Minneapolis Duluth are on the increase, amounting to 832,000 bushels today, ile Kansas City shows a decrease of 31,000 bushels. Evidently the ry short crop this year may not be more severely felt until after e bulk of the spring wheat movement is over; and this we think will the case in a few weeks. In the meantime, there is still an open terest of 159,000,000 bushels of wheat, which can easily be taken re of unless there should be a change in sentiment which would porarily give us a setback. The weakness in Canada is dampening lish sentiment here; and should it continue it might affect the erpool market. Any weakness abroad would have a sentimental eft here.

There were some very good rains in Oklahoma during the last 24 urs, breaking the drought in that state, while light to moderate wers also occurred over western Nebraska, Kansas, and Missouri. The ather will play a very important part later on. At one time it was ared that the soil might be dry for seeding; this danger is somet relieved now, but on account of the abnormal lack of subsoil sture we need much more precipitation than usual to raise an average p, or better, next season. This would be particularly important case the government should continue to insist on its reduction proam.

The fact that the time was extended for five months to those mers who had obtained loans from the government on corn sealed in s was construed as very bullish for this cereal. This certainly l diminish the rush of corn which had taken place to terminal mars, and a great deal of the corn which is now held back in the ntry will be fed right there and will not be marketed. Corn acted y strong, and it is daily being more recognized how short the feed ps are and how necessary it will be to use the greatest economies order to supply the needs. Receipts are still large, primaries day being 993,000 bushels compared with 351,000 last year; but cash n is bringing good premiums, indicating a good demand. The close owed an advance of 1/8¢ per bushel.

Oats were practically unchanged; and rye a little lower.

DAILY MARKET LETTER

MEMBERS:
AGO BOARD OF TRADE
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YORK COCOA EXCHANGE
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UHLMANN GRAIN COMPANY
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 23, 1934

Sterling dollar exchange fluctuated lately but very little, s concealing in a way the existing tendency which indicates ther inflation compared to foreign gold values. The fact of matter is that Sterling exchange has depreciated more than at time compared with the French franc or other gold currencies, ch weakness prevents the dollar from declining more in compar- n with the pound; but its value is decreasing when other gold rencies have to be purchased. Nobody expects, as long as the billion dollar exchange fund can be used to good advantage,that thing very radical in the monetary system will be permitted until e heavy financing, amounting to about one and one-half billion two billion dollars, will be out of the way by October 15th. refore, it is not much of a market factor at the present time, may be later.

Cables were quite weak before our session opened; but recover- partly when the Winnipeg market showed great strength. There e reports from Canada that the forecast is for sharp frost in t districts. These, however, were accompanied with opinions t this will not reduce the quantity of bushels, because the crop too well advanced in most districts; but it will affect the qual- . Should the latter be the case, and should off-grades in Canada l at big discounts, importations to the United States would not unlikely. At the present time Winnipeg wheat is selling at ut 20¢ discount under ours: No. 6 Northern light test weight selling about 18¢ discount under their futures. Such wheat at discount, with a 42¢ duty, would not be so much out of line con- ering that Spring wheat is bringing a premium from 5 to 10¢ a hel. It is the general opinion that the Canadian crop this year of poorer quality than last year; and there will be a much larger ntity of off-grades.

Primary receipts of wheat today for the first time show an reciable difference from last year, being only 672,000 bushels pared with 1,268,000 the previous season. There was a sharp ling off in the movement in the northwest, and whether this was y accidental today,or will be permanent on account of the light ing wheat crop, can better be told in a few days. In the mean- e stocks continue to increase at Minneapolis, Duluth and Kansas- y, being 1,024,000 bushels. However, should the movement in northwest be over, we shall soon have decreases in the visible ply. This, we think, will be needed as a stimulant to lift prices, market otherwise acting tired. There is still a considerable ement going on from the Pacific northwest; but their crop has turned out as well as expected and, therefore, we also expect t this will change very shortly. Trade, in the meantime, was tless, fluctuations being small, and until the situation becomes arer there is not much incentive to trade on either side. There e very excellent rains reported in Texas and Oklahoma; and we nk the Panhandle, as well as the latter state, is in very good pe now as far as moisture is concerned. This cannot as yet be d of either Kansas or Nebraska, although there was scattered pre- itation in many places. Much more, however, is needed to quiet fears that soil conditions are unfavorable for ploughing and ding, also development of the plant later on. At the close the at market showed a decline of 1¢ per bushel compared with yesterday.

The situation is much stronger as far as corn is concerned. market was again very active, 15 to 25¢ higher than Wednesday, the advances have been almost uninterrupted since the strike at Stock Yards has been settled. Every advance in hog prices ates a desire on part of the farmer to feed as many as possible, in this way consumption will be increased wherever the feed is ilable. In a very short time private estimates will be given out to the present outlook of the crop; and there does not seem to be danger of previous low figures being increased considerably. are, therefore, confronted with extremely small supplies, following t year's short crop, and a great scarcity of all other substitutes. the southwest cash corn is bringing big premiums and drawing sup- es from many parts which otherwise would ship to their natural mar- , Chicago. At the close the corn market showed a decline of 3/8¢.

Oats and rye were considerably lower.

DAILY MARKET LETTER

MEMBERS:
GO BOARD OF TRADE
RK PRODUCE EXCHANGE
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K COFFEE AND SUGAR EX.
ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 24, 1934

The anticipated frost in the Canadian Provinces materialized
ome extent; but it was not as general as was expected and con-
ently the frost scare seems to have lost its effect. At best
ould have hurt only the quality and not the quantity, because
his late date it must be assumed that the crop is made. The
ensus is that the size will be about the same as last year, al-
gh some think it will be a little more and others believe it
be a little less. But for all purposes we like to figure on
eld of probably 260,000,000 bushels for the three provinces, be-
ing in this way we shall not be very far out of line when the
l figures are computed.

Liverpool market had watched the Canadian news with great in-
st and was higher at first; but when theyfound out, before their
ion closed, that the Winnipeg market was not very excited, in
was lower than yesterday, futures there immediately declined
ympathy.

Inasmuch as the wheat crops are practically all made, with the
ption of the Southern Hemisphere, and the results pretty well
n, news is comparatively scarce. Trade is light and fluctua-
s are small. The whole picture is not very much different from
it was recently. The latest estimates from the largest European
ucers indicate that the crops in four countries will be less than
year; namely:

France	58,000,000 bus.
Italy	73,000,000
Germany	54,000,000
Czecho Slovakia	15,000,000

n probably will raise 35,000,000 bushels more than last year.
and's crop never varies much from one year to another, her crop
ys being quite insignificant compared to her consumption. It is
e apparent, therefore, that European requirements will be much
er than last year; and Canada will have an opportunity to reduce
large carryover. There seems to be no scarcity in sight; how-
, there is no excessive glut and real low prices are out of ques-
.

There is also no great change in the domestic situation, pre-
s being very strong everywhere. The movement is decreasing
fast, but the effect may not be severely felt until a little
r. Today, for instance, primary receipts of wheat were only
000 bushels compared with 1,168,000 bushels last year, certain-
great dropping off. The chief decline came in the northwest
e receipts at Minneapolis and Duluth were only 325 cars vs 528
ious season. There may be another increase in the visible sup-
but not of large proportions,due to heavier receipts in the north-
last week and the early part of this one. However, this is not
ly to be repeated the balance of the crop year. We do not ex-
that future government reports will show any great changes; and
will enable us to reasonably figure that our carryover at the
of the crop year will be at least 120,000,000 bushels less than
previous season. There is one item which we cannot calculate,as
with any certainty; namely, how much additional animal feeding
e will be on account of the short feed crops. Should this be
iderable, it will be felt the second half of the crop year, and
t add a great deal to the price of wheat.

Lately there has been more or less moisture in various parts of
country; but Kansas seems to have been neglected to a large ex-
. Various reports, which we have received from different parts,
almost unanimous that soil conditions are still very dry and that
ghing and seeding are being delayed. There is plenty of time to
ect this, but it remains somewhat of a danger to the outlook of
new crop. We are convinced it will be the determining factor in
ing values after the turn of the year. At the close the market
nced 3/4¢.

The situation regarding feedstuffs, in our opinion, is much clear
Hog prices advanced again today 10 to 25 cents per cwt., reach-
a top price of $7.40 to $7.50 compared with a minimum price of
0 on January 25, 1934 and $5.00 on July 20th, only about a month
the day before the strike. Hogs multiply very rapidly if there
ufficient incentive to raise them; and naturally the higher the
e, the more hogs are likely to be produced and the more corn will

be needed. It is quite certain that at best we have only modera supplies. A crop of 1,600,000,000 bushels, as was estimated by the Agricultural Department in its last report, would be absolutely insufficient to meet even the reduced demands brought about by compulsory reduction of both hogs and cattle. At the close the market was 1 1/4¢ higher than yesterday.

Rye and oats also had a firm undertone, and no doubt will profit by any advance in corn.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
O BOARD OF TRADE
K PRODUCE EXCHANGE
RK COCOA EXCHANGE
COFFEE AND SUGAR EX.
DITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
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CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

August 25, 1934

Sterling exchange today fell slightly against the dollar. t appears that a very mild inflation is going on in England. The ond sterling has been losing ground compared with gold coun- es. In normal times one could buy about 124 francs to the nd, but at the present time only 75 3/4 francs are obtainable. hther this weakness of sterling is due to seasonal conditions is being the time of year when England is buying her raw ma- ials and needs foreign exchange) or whether it is due to a eliberate policy, is impossible to tell at the moment. As a sequence, the actual gold value in England has risen, now rnging 139s-5d per fine ounce, or equal at the present rate of hange to $35.32 per ounce. This of course is considerably iher than the value here.

As long as the United States permits free exports of gold, fcourse it cannot affect our dollar to any appreciable extent; u if this tendency continues we shall either become larger ex- oters of the precious metal or else our dollar sterling ex- nge willbe affected.

Liverpool wheat quotations closed firm today, but even this gested a good sentiment abroad in view of the rather weak mar- e in Winnipeg yesterday. There was no further news from Canada but recent frost damage. As has been mentioned earlier, much of ir wheat is already harvested, and on the remaining crop lower des might result; but if anything, these would be more readily aeable because of the discount and in view of the fact that the at two crops in Canada were of extremely high quality. Coarse ins might be more seriously damaged, because with the possible o 8 degrees of frost which occurred recently in the north re crops are late some actual damage is almost bound to occur.

Sentiment at our opening was neither bullish nor bearish. rders generally were awaiting developments to see what might e place. After a few transactions that were almost meaningless ncharacter, the corn market assumed new strength and was respons- e for stimulating practically all the grains in the list.

We continue to believe that as the season progresses the ellow cereal willattract more and more attention. In spite of de rain and general improvement in forage crops, corn was almost d far gone even in the better districts of Illinois and Iowa to mrove very materially and therefore if the private reports next ek indicate a crop about in line with the recent government es- iate, we must assume that the low yields indicated will be with sfor another fourteen months until the 1935 crop is harvested. fact that hog values have risen almost continually since the etlement of the strike in Chicago furnishes more encouragement dfeeders generally, and with practically no substitutes such as r available in an ordinary year, we feel that finally an acute rtage might develop. General recognition of this should engthen at any time when receipts at terminal markets drop off. re is still a fair amount of corn left on the farms under gov- ment seal, but with the loan policy extended it is not likely t there will be any rush to sell that corn, as feeding operations e become so much more attractive.

Today's advance in corn on a comparatively small volume of iness encouraged traders, and this influence more than anything e affected wheat. Trade in the latter cereal might have been ewhat indifferent due to the fact that Canadian hedges are on increase and also because recent rains in Texas and Oklahoma e enabled farmers to start their fall work in the fields. Kan- stillremains without much relief, and only showers in the west- portion of that state are indicated over the week-end. However, is still early and no fears should be expressed yet although e than the usual amount of moisture will be needed due to the longed drought.

Primary receipts of wheat were 889,000 bushels compared with 67,000 last year. There is a net increase in stocks at Duluth, neapolis, and Kansas City of 1,116,000 bushels, indicating a ght increase in the visible supply on Monday; but from now on se increases will be very small.

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Wheat finally closed just a fraction higher than yesterday in spite of great strength in corn and the higher prices for rye. Until more hedges are removed from the market it may be difficult for the leading cereal to accomplish much, particularly with the dragging tendency in Canada; but on the other hand we do not expect that the declines will extend very far.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
GO BOARD OF TRADE
K PRODUCE EXCHANGE
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 27th, 1934.

Cables were higher before our session opened today, but all advance at Liverpool was lost, their futures closing a trifle er. Frosts, which had been a possibility from the forecast, did materialize, and there were only a few scattered showers in the thwest; so there was nothing very sensational in the news to in- e traders to make new commitments. In consequence, activity was y light, and former owners of futures who saw nothing immediately sight to help their position, liquidated rather freely, bringing ut sharp declines. There were occasional recoveries from lowest es, but the close was 2¢ per bushel lower than Saturday.

The decline in corn was not nearly as great as in wheat, the two cereals are coming closer together all the time. On 31, 1934, May wheat expired $1.03 1/8 per bushel compared with 5 now; or an advance of 1 7/8¢ per bushel. May corn at that e was 59¢, and today it is 82¢, showing a gain of 23¢ per bushel. s great strength in corn, in our opinion, will finally be very rtant for the wheat prices. All calculations as to a fair ryover are based on normal consumption, such as we had last year, roximately 600,000,000 bushels. In this figure is included about 00,000 bushels for animal feeding; but there have been years in past when wheat fed to animals amounted to over 100,000,000 els, even in excess of 150,000,000 bushels under extraordinary itions. There is a great possibility that if the corn situation inues to develop further strength that animal feeding of wheat l increase heavily. A pound of corn (56 pounds to the bushel) selling for almost 1 1/2¢. This figured on basis of 60# to a el of wheat would make a bushel of wheat for feeding worth about ¢. Now considering that many farmers in the southwest would have ship in corn and pay freight on same, and then deducting the of shipping wheat to terminal points, they find it cheaper to l the latter than the former. We might even go further: con- ering that there will not be another crop of corn raised until mber, 1935, while a new wheat crop will come on the market in , it is quite plain that the possibility exists for the feeding remendous quantities after July should we raise more liberal lies next year than we did this season. With corn established uch a high price wheat cannot possibly sell very low, so we feel the miller, as well as every consumer and speculator, will be ing to take chances on basis of present values unless it should emonstrated later that next season's crop would be so large that ight change the whole picture.

The visible supply showed an increase of only 471,000 els versus 3,719,000 a year ago, showing that our predictions re- ing prospective diminishing supplies even during the first two hs of the crop year will soon be realized. The figures are all more striking as Duluth and Minneapolis show an increase in stocks 8,000 bushels; and had it not been for that wheat stocks at all r points together would show an appreciable decrease. The north- ern movement is now falling off, receipts at Minneapolis and th being only 465 cars compared with 624 in 1933, and the gap be even greater soon; so we may have seen the end of increases tocks at terminal points. Primary receipts were also light for nday, being only 967,000 bushels against 1,234,000 the previous .

Corn declined in sympathy with wheat and also on heavy izing sales, previous longs being willing to take profit. How- , with hogs advancing almost daily, and with prospects of the government report-reducing the estimated yields still further, we eve that finally there will be a great scarcity and very extreme es can only be prevented through economies and curtailment in ing. This is one of the years when there are very few substitutes h can take the place of corn, and with the crop perhaps 700 to 000,000 bushels smaller than the last one, which was also very

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short, it will bring about a situation which probably no living member of the Board of Trade has ever seen. It is quite sure, fro all recorded statistics, that we never had two such corn crops in succession; and the only question open for discussion is whether th reduced amount of animals can partially or completely offset this extraordinary situation.

At the close corn was 1 5/8¢ per bushel lower than Saturday

Oats and rye also declined in sympathy with the other cereals.

Hogs are now bringing more than double the low price early in January, 1933. This advance in animal prices, together with the much higher prices being realized for grains, with good prospects of continuation of same for a long time to come on account of the depleted stocks at the beginning of another season ought to be very cheerful to the business world at large. The so-called McKinley boom, which started in 1897, came with an advance in wheat prices from about 45¢ to a high of $1.75, which in turn influenced higher levels for all other cereals. The 1925 boom which lasted until 1929 probably had its inception in the $2.00 wheat quotations which were realized at that period. There can be very little question that the more distant outlook for the farmer is better than it has been for many years, and its effect later on ought to be considera

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DAILY MARKET LETTER

MEMBERS:
O BOARD OF TRADE
K PRODUCE EXCHANGE
RK COCOA EXCHANGE
COFFEE AND SUGAR EX.
CITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6232
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 28th, 1934.

Trade is anxiously awaiting the radio address of
etary Morgenthau, hoping it will throw some light on the pros-
s of governmental policies in monetary matters. In the meantime,
s assumed that it will somewhat dim the hopes of inflationists.
ver, it should be considered for obvious reasons that any in-
ion of deflation of currencies can never be advertised and the
al facts are usually announced without any previous intimation.

The weakness in wheat of late has been largely brought
t through the Canadian situation, and it is therefore well to
yze closely what is going on there. The Canadian crop, it is
eded, will only be of very moderate proportions, but the price
to the farmer is considerably better than for a number of years,
he seems to be selling freely as fast as harvesting conditions
it. Country deliveries for the week ending August 25th were
3,000 bushels, which evidently could not be easily absorbed.
rnmental agencies may at times support the market; but apparent-
t is their desire to increase and not to decrease export business,
so far have not stopped the steady declines which have taken
e lately.

Broomhall estimates that European requirements of Canadian
t this year will probably reach somewhere around 288,000,000 bus.
ared with 194,000,000 in 1933. As the carryover had been re-
d to 203,000,000 bushels versus 219,000,000 the previous season,
s a somewhat better start. Assuming these figures to be cor-
, Canada could easily reduce her carryover more than 100,000,000
els, and the present depression, under the circumstances, would
last very long. Since July 1st, or for almost two months,
dian exports were only 33,000,000 bushels against practically
same quantity a year ago, or at the rate of 200,000,000 bushels.
rally holders must have patience until the supposed-additional-
t-demand is realized. Winnipeg futures at the present time are
ing about 21¢ per bushel discount under ours, and certainly are
at a dangerous level.

Outside of this Canadian situation, which we do not
ct will last very long, world conditions are such that later on
er prices are justified. The Australian crop estimates are
g lowered, and the United States last year exported over 30,000,-
bushels of wheat, which will not be duplicated this year. This
all benefit the Canadian grower as there is only one other im-
ant exporter- Argentina, and it is assumed that their wheat acre-
had been reduced. It is too early yet to make any predictions
o the outcome of this crop in the southern hemisphere.

Inasmuch as the United States is positively on a domestic
s this year as far as supplies are concerned, naturally the
amental conditions here are and will remain the most important
or in shaping our price levels. Primary receipts continue to
onsiderably below last year, namely; 824,000 bushels versus
3,000 a year ago. Out of this small quantity 594,000 bushels
received at Minneapolis and Duluth, leaving only 230,000
all the winter wheat market. It is quite plain that these heavy
ipts at Minneapolis and Duluth must be either duplications from
sas City or some other southwestern markets, or else they are
ng such inroads in the short crop of spring wheat that it cannot
very long. Cash premiums at Kansas City were the highest on
crop; and coming this early it shows very plainly that con-
rs are having difficulty in obtaining supplies in their territory
out meeting the farmer's views.

Trade continued extremely light; prices at times were in-
nced by the weakness at Winnipeg, and at other times through the
arative strength of corn. At the close the wheat market showed
cline of 1/4¢ per bushel compared with yesterday.

(OVER)

Hogs continued to advance 15 to 20¢ per CWT, and lard followed suit. It is quite evident that the farmer has made up his mind to hold on to the hogs he has left and feed them to the fullest extent, so as to reap the benefits of the changed situation and higher prices. This can only mean an increased consumption of corn compared to what was looked for recently. The difference between corn and wheat narrowed a little again today; and therefore the chances for an increased amount of wheat feeding are at least a possibility. We had reports today from Hutchinson, Kansas, that corn and wheat are selling at about the same price.

We are anxiously awaiting the estimates of the private crop experts to see if they confirm our own reports indicating a much smaller corn crop than the government calculated early this month. At the close corn showed an advance of 1/2¢ per bushel.

Oats and rye were much neglected, the latter showing some decline compared with the previous session.

UHLMANN GRAIN CO.

MEMBERS:
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TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 29, 1934.

Secretary Morgenthau's radio speech was construed by members
the various exchanges as very constructive, and it induced new
ing in both stock and grain markets. The various figures he
nished were really nothing new to any one who has kept in touch
h the government financial status, but he gave the picture in
h a clear and accurate way that there is no possibility of
stioning his presentation. He made it very plain that the
asury has an abundant reserve of values available for an emer-
cy, a portion of which might be applied toward reduction of the
ional debt.

The question still remaining in the minds of financiers is
t will happen after July 1, 1935. While it is agreed that the
ge expenditures so far could be borne without too much hardship
a country as rich as ours, it is also a fact that the yearly
ies upon the taxpayers have been increased possibly a billion
lars by means of processing and liquor taxes, the imposition of
apital tax on corporations, etc. Besides the dollar has al-
dy been devalued approximately 40 per cent. This means infla-
n sooner or later, which is a slow process and has not yet been
ly recognized and discounted.

A very optimistic view was taken abroad also, with considerably
her cables affording further encouragement to traders when our
sion opened. Aside from sentiment, the foreign wheat situation
gradually gaining in strength.

Russia's shipping season usually starts about the middle of
ust, although sometimes, if there is a carryover from the previous
p, supplies are shipped before that time. The size of the early
ement is usually an indication of what may follow. Last season
ing the month of August only 712,000 bushels of wheat had been
pped from there, rather a small amount as a starter, and the
ire year's clearances amounted to only 26,630,000 bushels. So
during this month only 192,000 bushels have been shipped.
ing September last year Russia exported about 5,000,000 bushels.
seldom hear of a charter now, and the indications are that not
h may be expected in the way of exports from that quarter. In
s event, any deficiency will have to be supplied by Canada, as
other country is likely to furnish larger quantities than in
3.

The Chinese rice crop for 1934 is estimated to be 20 per cent
ow average because of drought. Should this be true, China's
orts of wheat will doubtless be larger than in former years. In
w of the many depreciated currencies in the world and the advance
silver prices, exchange conditions are more favorable to in-
ased trade. This perhaps made possible the sale of 800,000
hels of wheat by France, reported to have taken place yesterday.

Domestically, the situation continues to improve almost daily.
Kansas City millers had to pay better premiums, which reached
high levels on this crop. As no increase in receipts is ex-
ted and as it will be ten months before another crop is harvested,
see no reason to anticipate that this upward tendency will not
tinue. Total primary receipts were only 809,000 bushels compared
h 1,031,000 the previous year, and shipments were 638,000 bushels
438,000 in 1933. So while receipts were considerably smaller,
pments were greater; and it will be but a very short time before
visible supply stocks are appreciably decreased. This is at
sent somewhat delayed as the northwestern spring wheat movement
still fairly liberal, but we expect a dropping off now almost
day. At the close the market showed an advance of 1¢ per bushel
r yesterday.

Hogs recorded another advance of 10 to 15¢ per cwt. Lard
lowed, and corn, under these circumstances, could not do otherwise.
mers are now encouraged to feed rather than ship hogs, so with
kind of average winter the consumption of corn during the cold
iod will cut into the small supplies very severely. The outlook
this cereal is still very indicative of much higher prices later
The close was at an advance of 1¢ per bushel.

It was reported that a cargo of rye, about 300,000 bushels, had
n worked to come to this country from Poland. Ordinarily this
ld have had a very depressing effect, but as it is well known that
re is not enough rye in this country and imports are essential,
news failed to produce a decline and rye prices finished 1¢ per
hel above yesterday.

Oats also showed a better tone in sympathy with the other
reals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 30th, 1934.

The threatened strike of the textile workers cast a gloom over
l markets today. Stocks in Wall Street declined, cotton was also
wer, and all cereals were affected; the latter not to a very con-
derable extent because the inherent sound situation of same is
nerally recognized. Perhaps never during the existence of this
untry was there such a scarcity in sight of all feedstuffs. This
obably less so as far as wheat and flour are concerned, as with
e carryover there still seems to be plenty for all purposes, un-
ss corn and fodder should become so scarce that more wheat will
fed to animals, and therefore make great inroads in the supplies.

We had a message today from Ft. Worth stating that it is
timated that one-quarter million bushels of corn had been shipped
d booked from Mexico into Texas, on which, of course, the duty has
be paid. In a small way, our great agricultural country is now
importer of flax seed, corn, oats, rye, and possibly barley; and
would not be surprising if later on we would import some of the
wer grades of the Canadian crop for domestic purposes. Even in
ite of a duty of 42¢ a bushel, we figure such wheat is possibly
ly 5 to 10¢ a bushel out of line at the present time.

The effect of the short crop of wheat is shown very plainly
the small primary receipts. For the week ending Saturday,
gust 18th, primary receipts of wheat were approximately 4,900,000
shels versus 5,452,000 last year; and the week ending August 25th
ey were 4,500,000 bushels against 6,800,000 a year ago. We also
pect a great falling off this week compared with the same period
1933. Total primaries today were only 660,000 bushels, and last
ar they were 963,000 bushels. Out of this small quantity the
lk again was received at the two spring wheat terminals, the move-
nt of winter wheat now having declined to most insignificant pro-
rtions.

Sterling exchange has been very weak for the last few days,
clining today to about $5.02 for the pound. At this level England's
rrency has been inflated to within two or three per cent of as
ch as ours. Compared to a 59-cent dollar they have a 61 per cent
und on basis of the former standard. Whether this was done in-
ntionally through the stabilization fund or whether due to various
tural causes,only time will tell. The chief lesson is that there
still a tendency to inflate currencies, not deflate them. If
e two largest commercial countries in the world, the United States
d Great Britain, are pursuing this policy, it can mean only one
ing in the end: namely, higher prices for everything compared to
ld.

Secretary Morgenthau made it quite plain in his radio speech
at the United States government at one time or another will
ilize the $2,800,000,000 profit which was made through devalua-
on. He left no doubt in the minds of his listeners on this point.
nsequently, we may not under any circumstances expect a reversal
the policy nor to see the dollar higher than 59 cents, for in
ch case this profit would be dissipated. This depreciation is
fficient, even if no other measures are taken such as credit in-
ation or silver manipulation, to prevent grain and commodity prices
om reaching levels as low as when the gold content of the dollar
s greater.

Weather conditions in the wheat belt continue to be unfavorable.
ere was very little moisture reported again overnight, although
cal rains have fallen the past 24 hours over portions of Nebraska
d Iowa. But the precipitation so far has been absolutely in-
fficient, and unless this changes during the next 30 days plough-
g and seeding will be so much delayed that apprehension will be
lt regarding the outcome of next year's wheat crop. Trade was
tremely light today, early declines could be easily recovered, and
e close showed a gain of 1/8¢ per bushel.

Corn, it is still believed by many, will be the leader of
reals in the immediate future. The trade is awaiting confirmation
part of private experts, and later on by the Agricultural Depart-
nt, that the crop had gone backward during the month of August,

(over)

and that the outlook for yields is a very dismal one. There is still a large movement going on at the present time, farmers being tempted to sell part of their supplies on which they borrowed money from the Government, and which can be liquidated at good profits. This, however, will change when we shall have to depend upon the usual receipts from the new crop. A very large part of the Iowa crop will move to the southwest, so that Chicago will have to rely very largely upon Illinois, which state, however, requires a great deal of corn for its heavy animal population, and probably will have but little to spare with the reduced yields which are anticipated. At the close the corn market was 1/2¢ a bushel higher than yesterday.

Oats were stronger in sympathy with corn, but rye with an indifferent trade showed a small loss.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHI GO BOARD OF TRADE
Y K PRODUCE EXCHANGE
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YO COFFEE AND SUGAR EX.
OM DITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO August 31st, 1934.

The trade was very much interested in today's private es-
iates on the corn crop. It was anticipated that on spring wheat
n oats they would not differ greatly from the former figures, but
h average of the estimates on the corn crop now is 1, 459,000,000
uhels, or 148,000,000 bushels lower than the last government re-
ot.

It is hard to contemplate fully the extent of this disaster.
neans 885,000,000 bushels less corn than the previous short
p of 1933. Old corn on farms is estimated at about 91,000,000
hels less than at the same time last season, thus there is a
al deficiency of 976,000,000 bushels compared with a year ago.
suming that the bulk of the 300,000,000 bushels still on farms
l be used up before the new crop becomes available, it is
vdent that last year's supplies were just about sufficient to
ary us through; and the prospects of nearly a billion bushels
s for feeding purposes next season causes a most extraordinary
iuation.

It should be remembered also that all substitutes --oats,
, rye, barley-- are almost equally short in proportion; although
re will doubtless be a little more wheat fed, this can only be
such small quantities that it will not supply much of the lack.
might, however, be of sufficient volume to affect wheat prices
re supply and demand are so close.

It is doubtful whether the world at large has come as yet
a full realization of this condition, as it has come about
her suddenly. Only a short while ago the farmers of the world
e floundering in a sea of superabundance. Many artificial means
e sought for disposing of the glut of products; and now, sud-
ly, we are confronted with great scarcity. Cattle and hogs
e slaughtered, acreage reduction schemes were applied, cotton
plowed up, and price manipulations were practiced by various
ernments. Providence has corrected it all by means of a world
e drought which has carried us to the other extreme and may re-
t in a high price level, bringing hardship to many.

As very frequently happens after private or government re-
ts come out when opinions were unanimous about their being
lish or bearish, the effect temporarily is not what one would
ume it to be. Traders, it seems, had all prepared for the
nt, had made heavy purchases ahead and were willing to take
fits; but as too many had been of the same mind offerings were
freely taken, and prices suffered in consequence. At the close
n sold 1 1/8¢ per bushel lower than yesterday. This, of course,
no criterion of what will happen in the future. With practical-
the smallest supplies ever known, population and demand con-
ered, we believe it is absolutely unthinkable that we shall have
prices at any time this year; and we feel that the present
el is fully justified with great prospects of further advances
er on.

Wheat played only a secondary part today, and the trade was
thetic in an extreme way.

Cables were somewhat higher, but this was partly due to a
ker sterling exchange.

(over)

Primary receipts continue pretty fair, even somewhat larger than last year, 946,000 bushels vs. 876,000 in 1933. There was great strength in the Canadian market, and evidently Winnipeg is able to take care of the hedges now, in spite of the fact that the crop is supposed to be 14,000,000 bushels larger than last season. With firmer foreign markets, Canada should have no difficulty in disposing of 75 to 100,000,000 bushels more wheat than it can spare from this year's yields; therefore, it will cut deeply into its stocks. At the close the wheat market was 1/2-cent per bushel lower than yesterday.

There was a continued advance in London's gold price, England made a new high quotation of almost 141 shillings per ounce. This affected the dollar sterling exchange, which declined to $4.99 to the pound. All of this may yet become a major factor in world affairs. The supposition now exists that England is determined to bring the dollar exchange to its pre-war level of $4.86. The Canadian exchange, which follows, also declined fro 3 per cent premium to 2; and if the purpose, as above set forth, is carried out, the three great countries --England, United States, and Canada-- would be on a parity again. If such were the case, stabilization of currencies would be easy. We would not have to worry much about what France, Germany, or Italy would do. When some of these countries, years ago, depreciated their currencies 80 per cent or more, we went ahead just the same and nobody ever dreamed that the United States would be compelled to change its monetary standard. During allthis time we did business on the old basis the same as before. If, on the other hand, our Treasury should be dissatisfied with what is going on ab road, and devalue in proportion as England is devaluing now, it may lead to a currenc war, the outcome of which nobody cound predict.

Oats and rye closed lower, both suffering from belated September liquidation.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

September 1, 1934

There was not a great deal of financial news overnight. Sec-
ary Morgenthau put a quietus to further inflation talk in dis-
sing new governmental financing. There was no great change in
rling, although it was still quoted slightly beneath $5.00, at
ch price it has not sold since last February after the United
tes devalued the dollar. Some believe that this depreciation
English exchange is an attempt by the British to deliberately
reciate their money in an effort to restore the old dollar-pound
io which existed before American devaluation.

The news directly affecting grains was the somewhat unexpect-
but heavy moisture in the southwest. In western Kansas rains
e quite generally reported between 3/4 and 1 1/2 inches in most
alities. In parts of Nebraska they were very heavy, ranging
m one to three inches, so that the drought is gradually break-
. Numerous localities in the bad sections of Kansas which
etofore had worried about the condition of the soil reported an
h of rain, and this will be of great benefit in view of the un-
al conditions which have existed there for many months.

Tenders on September contracts were somewhat heavier in wheat
n anticipated. Red wheat, which is not commanding the premium
hard varieties, was delivered on maturing contracts.

The market took all of this news without much price change;
generally speaking, we feel that traders are watching funda-
tals, taking a longer view of the situation andare becoming
ressed with the fact that after having had a superabundance
supplies for years we are gradually swinging to the other ex-
me.

Not only in our own country are the feed crops extremely
rt, but even abroad similar conditions exist after the world
e drought of last summer. We have a very interesting letter
m one of our Rotterdam friends, who describes the feed situa-
n there as comparable to the one which we are experiencing. He
tes that shipments of the chief feeding articles in the cereal
r of 1933/34 including barley, oats, rye, and corn, amount to
350,000 tons, or enough to satisfy normal requirements. This
r the world crops of feedstuffs are very short, and the most
t can be expected will be shipments of 9,640,000 tons, or a de-
iency of about 70,000,000 bushels on basis of about 11,500,000
s required.

This quantity does not take into consideration the great re-
rements of Germany. That country is not in a financial posi-
n to obtain enough foreign exchange to buy all that it needs,
in the meantime is paying fancy prices for anything obtainable
vided payment can be made in marks. Russia andDanubian provinces
d barley on those terms to Germany at almost 20 cents per bushel
ve values in other countries where ordinary terms of payment had
n accepted.

It is not surprising, in view of the general world situation,
t Argentina again has refused to cut her acreage; and in the
ent discussions, efforts of the United States have not proved
y successful. It is even impossible to get expressions from
ada or Australia on acreage reductions, although we continue,
a tentative way, our policy of 10 per cent reduction and even
k about controlling crops further by cutting wheat green for

(over)

feed, denaturing it, or even plowing up some of the fields later on. This is difficult to understand in view of the abnormally small wheat crops of the past two years: 527,000,000 bushels in 1933 and even smaller this year, both of which are less than domestic requirements.

It should be borne in mind that in the twelve preceding years, namely 1921 to 1932 inclusive, our domestic wheat crop averaged 822,000,000 bushels, and in the years up to the time of farm board operations the price ranged above $1.00 per bushel during the month of August when farmers were selling their grain. We always managed, through supply and demand, to get rid of our surpluses in the usual export channels until the farm board piled up such accumulations that the price dropped to the 50-cent level.

Stocks in the northwest increased, Duluth and Minneapolis amounting to 1,469,000 bushels. Kansas City decreased 818,000 bushels, and it is quite likely that the visible supply on Tuesday will be nearly a stand-off or at least only a small increase. Primary receipts were 943,000 bushels, which was quite good. Comparisons could not be made on account of a holiday last year. The wheat market was extremely dull and fluctuations entirely meaningless, firmness coming largely from corn.

Corn displayed a very good undertone. It was announced that beginning today farmers who still had their corn under government seal as collateral for loans must first offer it to the government. This in our opinion means that there will be purchases either for seed requirements or for relief purposes, and as a consequence receipts at terminals will be very light. There will not be any sizable movement later on, even when new corn starts moving, due to the extremely small crop , and therefore terminal receipts for 14 months will be very scant. This being the case, we can only believe that higher prices will finally result.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
AGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
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UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Sept. 4th, 1934.

The chief events over the holidays were the copious rains al-
t all over the country, and the extreme weakness in the Liverpool
ket, which declined about 2 1/2¢ per bushel compared with last
tations on Saturday. There is no question that the precipitation
oughout the entire western country was probably better than any
eived there for a couple of years. It will be sufficient to put the
l in condition so that plowing and sowing everywhere can take
ce now under normal conditions. It will not cure the deficiency
subsoil moisture, but at least it gives hope that should we have
ittle better than a normal winter, with plenty of snow, an average
p of wheat might be raised next year. Needless to say that the
ns were also very favorable for the revival of pastures, and in
s way will be some help to the great lack of feedstuffs. But the
ect of this will be modified because it was too late to do any
d to our chief crops: corn, oats, barley, rye, etc., as the last
e cereals have been harvested already, and the damage done to
corn crop is irreparable.

The weakness at Liverpool was explained through very heavy offer-
s of Argentine wheat, but the general tenor of the European news
not such that we may look forward to further yielding of prices
oad. The Australian outlook is still very poor, with an expecta-
n of a reduction in the crop of about 58,000,000 bushels compared
1933. The Balkan states, as well as Italy, expect yields much
ow last year; and there is no change in the general opinion that
ope might have wheat crops amounting to about 300,000,000 bushels
s than the previous season. World's shipments were much the same
ast year, about 9,500,000 bushels but considerably less than last
k, and North America contributed only about 4,500,000 bushels.
s is an exceptionally small quantity when it is considered that
ners' deliveries in Canada last week were extremely heavy, amount-
to almost 20,000,000 bushels against only 8,760,000 last year,
a crop no larger than it was then. The explanation is that the
ner is well pleased with the price and that the weather was un-
lly favorable for harvesting the crop. Such a movement, of course,
ot last for very long. Otherwise, the whole crop could be moved
little over ten or twelve weeks; but, nevertheless, all these
ers were construed rather bearish at our opening, with an ap-
imate decline of 1¢ per bushel in the price. We feel that while
foreign situation will continue to have more or less of a senti-
al effect on values here, we are positively established on a
stic basis, particularly if our reports are correct that feeding
heat is assuming larger dimensions, and that therefore our con-
tion of wheat of 600,000,000 bushels, which we had figured on in
might easily be raised to 625,000,000 or 650,000,000 bushels,
ossibly even more. On this basis we should reduce our stocks
t 140 to 160,000,000 bushels of wheat, which would leave us only
ry small carryover and would justify high prices during the re-
ing ten months. There are clear indications already that the
tage of this year's crop is making itself very severely felt, a de-
se in the visible supply being reported today of 257,000 bushels
us an increase last year of 2,672,000 bushels; and supplies at
inal markets are now about 30,000,000 bushels less. It is very
om that the visible supply decreases thus early in the season.
usually does not take place until early in December, although
xceptional years we had decreases as early as October. We think
with few exceptions these decreases will continue now and as
goes on that they will be on a very much increased scale; and to
extent that this takes place hedges will have to be removed and
purchases which would occur then for future delivery can only
btained from holders who have accumulated the futures, there being
ew pressure.

The primary movement is also very moderate, and will still be
ter as time goes on. For three days the receipts were only
7,000 bushels compared with 1,753,000 bushels last year.

(OVER)

Trade was extremely light; there was a good recovery from the low point, and the close was 1/4¢ per bushel higher than on Satu- day.

Corn prices suffered in sympathy with the early weakness in wheat; also the good rains, improving the pastures, had a sentimen effect. We thoroughly believe that the government report to be issued on Saturday will confirm previous low estimates on the size of the crop on part of private experts; and may give a new stimulat to speculation and higher prices.

We find that the Agricultural Department shows corn farm reserves on March 1st for a number of years as follows: (000 omitte

1927	-	1,134,370
1928	-	1,011,908
1929	-	1,021,873
1930	-	958,111
1931	-	703,529
1932	-	1,103,691

In 1933 and 1934 the figures were tabulated as of April 1st as follows: (000 omitted)

1933	-	1,126,616
1934	-	834,337

When we consider that this year we shall probably start with a cro of only 1,450,000,000 bus., and that usually up to April 1st only about 38% of the crop is left in farmers' hands, it can easily be seen what a small quantity we shall have to deal with on April 1st 1935.

Primary receipts of corn were 1,891,000 bushels versus 1,470,000 last year, but from now on we think the movement will be very light. The visible supply shows an increase of 1,745,000 bushels, and is now almost 3,000,000 bushels larger than a year ago. At th close the corn market showed a decline of 5/8¢ per bushel compared with Saturday.

Oats and rye showed independent strength during the whole session, even when other cereals were weak, and finally showed a good advance.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
GO BOARD OF TRADE
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RK COCOA EXCHANGE
COFFEE AND SUGAR EX.
DITY EXCHANGE INC.

UHLMANN GRAIN COMPANY

TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Sept. 5th, 1934.

Cables today were again very unresponsive, and advanced only
/ to 3/4¢ per bushel, which was a very small recovery from the big
rak there yesterday. However, little attention is now being paid
oforeign markets. We are no longer a wheat-exporting nation; in
at, the United States government agencies are reported to have
uchased about 400,000 bushels of Canadian Durum wheat for seed pur-
oes in the United States. We think this business brought about
h big unloadings at Duluth today, and the increase in their stocks.
rmary receipts were 788,000 bushels compared with 762,000 last
er; but out of this total Minneapolis and Duluth received 547,000
uhels, leaving only 241,000 bushels for all the other winter wheat
akets. Chicago had only eleven cars of wheat today. This favor-
be outlook for domestic statistics is creating a very bullish
etiment.

We believe that the decrease in the visible wheat supply yes-
eday will be the beginning of steady decreases all during this crop
er, and with possibly few exceptions, we look for no increases
il another crop comes on the market. As near as we can discover
s is about the earliest period such a situation existed, which of
orse is quite natural because we are confronted with the smallest
rp on record in recent history. It seems to us quite likely that
visible supply, which is now about 115,000,000 bushels will
rdually decrease at least 75,000,000 bushels, and that on the 1st
fJuly it will be 40,000,600 bushels, or less. We think we might
lost be safe to put the figures still lower, but we prefer to make
under-statement rather than an over-statement, even in our
simates. Should this take place, as we believe it will, it would
en a gradual removal of hedges of an equal amount; and as this de-
ad for futures can only be filled from such longs who are willing
oliquidate, it is bound to create a very strong technical situation.

Trade continued to be moderate, but it requires very little
e accumulations to lift prices; and at the close wheat showed an
iance of about 2¢ per bushel.

Primary receipts of corn continue to be heavier than last
r, today being 1,153,000 bushels against 701,000 same period in
33. However, we expect these receipts will dwindle from now on.
icago today received only 31 cars. This might be partially due
the wet weather during the last few days, but the new offerings
r of no consequence whatsoever. Furthermore, we assume that the
k of the Iowa corn will go to the southwest territory when the
e crop moves, so that Chicago will depend entirely upon Illinois,
ch state also has a great many animals and feed requirements will
large. It is quite possible that receipts during the next four-
n months, or in other words until another crop is raised, will be
initesimally small.

When we consider that primary receipts of corn from Nov. 1st
August 1st of the following year, on the previous three crops were
follows:

1931/32 - 110,000,000 bushels,
1932/33 - 185,000,000 "
1933/34 - 178,000,000 " ,

is quite plain that on such a short crop as we experienced this
son, we cannot hope for a movement anywhere near such proportions.
refore, when stocks once start to decrease they are likely to
t away very fast. At the close the corn market was 1¢ per bushel
her than yesterday.

The lesser important cereals were strongest today , and were
favorable influence at times. Rye and oats closed much higher

There was no great change in foreign exchange, and while every-
y is talking inflation, there are really no visible signs of its
ediate danger at present; but there are plenty of indications of
t might happen in the future. It is quite sure that everything
l be done to allay fears until the new conversion loans are success-
ly floated, as they undoubtedly will be; but with a deficit of
5 millions the first two months of this fiscal year, and constant-
increasing expenditures in sight, more borrowing will be needed
ry little while. Therefore, having this in mind capitalists con-
ue from time to time to make investments in various commodities
stocks to protect themselves against what they consider will be
inevitable outcome, no matter how long delayed.

DAILY MARKET LETTER

MEMBERS:
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ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
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141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

Sept. 6th, 1934.

Sterling exchange was weaker today, but as the English, as
l as the United States stabilization funds are supposed to be
king, it is not likely that anything radical will happen before
next government loans are subscribed. In the meantime, the
retary of Treasury is reported to be hard at work in consulta-
n with financial experts to suggest the raising of new taxes.
ry economist knows, and will admit, that higher taxes invariably
n advancing prices, which would also be reflected in commodities.
causes larger expenses for every business. Consequently, bigger
ss profits are needed, also higher railroad rates; and if
ried out too far would finally mean another kind of inflation,
n though it be not of the type such as currency depreciation.
federal expenses, both the ordinary and extraordinary outlays,
l easily amount to 7 billion dollars this fiscal year, which is
arger amount than the total net income of every corporation in
United States, including the railroads. Since not all this
ome can be confiscated, it is very clear that the heavy taxes
only be collected from the masses. Also a bout an equal amount
taxes will be needed by states and local bodies. These in-
tionary tendencies cannot be overlooked when forming opinions
arding the value of cereals.

Liverpool wheat cables were quite strong, advancing about
/2¢ per bushel, which was all the more encouraging because in
meantime good rains had been reported in the Argentine, and
tralia has also been favored with some precipitation lately.
ada during the height of its crop movement keeps very firm,
ting higher prices now for several days in succession.

Nevertheless, the foreign situation is not quite as strong
the domestic one. We estimate that at the end of the crop year
ld stocks will not be depleted in the same proportion as those
the United States. Today's receipts were only 640,000 bushels
pared with 1,058,000 last season, and shipments were 631,000
hels, hardly leaving any margin for consumption of the local
ls at various places. Stocks of wheat at Kansas City, Duluth,
Minneapolis so far this week show an increase of only 209,000
hels, and as undoubtedly various other places will show de-
ases, we anticipate another decrease in the visible supply next
day. It is becoming quite apparent that no further pressure
m farmers' sales is in sight on this crop, we have the big move-
t behind us, and declines which naturally are bound to take
ce from time to time can only come from over-bought markets,
n too many longs wish to liquidate at one time. Such occurrences
to be expected occasionally, as the speculative trade is still
y light. The final outlook, however, remains favorable, pre-
ms are being fully maintained on all cash wheat, and the milling
and is fair for the period of the year. At the close the wheat
ket showed an advance of 3/4¢ per bushel over yesterday.

Corn offerings continue to be light, and primary receipts
diminishing, today being 630,000 bushels versus 1,099,000 in
3. Corn did not show the same strength as wheat, which can only
accounted for by the fact that the visible supply is still
000,000 bushels, a heavy load to carry at the moment. However,
s is a situation which we believe will improve now from week to
k and from month to month. The heavy movement of old corn is
r at this time, and we believe the normal early movement when
crop comes on the market in December will be very largely missed
s year. The two largest states which furnish Chicago with its
uirements are Iowa and Illinois. On account of the crop failure
the southwest most of the surplus corn from Iowa will go in
t direction; and the Illinois corn crop is so poor compared with
mal that a larger share undoubtedly will be needed for home con-
ption and for the great number of animals which are usually fed
re.

The corn market was extremely dull, and final prices showed
oss of about 7/8¢ per bushel.

Oats were comparatively very strong, cash oats bringing big
miums; a car of #2 white oats sold at 60¢ per bushel, or 6¢ over
future.

Rye also was dull and neglected and closed 1/2¢ per bushel
er.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Sept. 7th, 1934.

Continuation of the textile strike is casting a gloom over financial centers. The further fact that it is now recognized t government agencies, both by word and deed, are using every fort to create the impression that orthodox methods will be used the present time to fill all financial needs, is discouraging to se who have either purchased common stocks or commodities in expectation of inflation. However, strikes have always been settled the past one way or another, and the delay in further inflation s not by any means infer that it will not come later on as long the causes which usually bring it about are not removed. There no signs of any effort to decrease the large expenditures, or t the budget can be balanced for many years to come. With this dition existing, hopes or fears, as the case may be for inflan, will fluctuate; and the danger and probability of same should er be lost sight of.

The changed sentiment could not help but weaken our wheat mar- early, and in spite of renewed higher cables lower prices were orted during most of the session. But the declines were quickly overed and at the close prices were 3/4¢ per bushel higher than terday.

We admit there are a great many uncertainties in the situation, e of major and some of minor importance. The amount of our conption, of course, remains the chief question; and while it is in er to make guesses on same, one cannot be quite sure of what the ual result will be at the end of the season. It is well, however, recapitulate the consumption of the past five years: The disearance of wheat for all purposes was: (000 omitted)

9/30	1930/31	1931/32	1932/33	1933/34
,650 bus.	765,528 bus.	746,890 bus.	699,990 bus.	603,582 bus.

believe that the flour consumed for human food plays only a small t in the great variance during these different years. The main rea- why in some years the consumption was so much larger than in ers was the amount of animal feeding; and when we take this into sideration we feel that the smallness of last year's disappearance l not be repeated, and that our consumption this year will easily 650,000,000 bushels. Inasmuch as our total carryover and this r's crop amount to only 780,000,000 bushels, our stocks will be atly reduced. The farmer will easily hold from 30 to 40,000,000 hels at the end of this season, which compares with 60,000,000 hels last year. Mills are always required to have one or two ths' stock on hand, which would leave only a very small amount the speculator.

We further want to point out that our estimated carryover on e 30th, 1935, of 130,000,000 bushels would compare with other rs as follows: (000 omitted)

29/30	1930/31	1931/32	1932/33	1933/34
,458 bus.	332,846 bus.	391,605 bus.	400,383 bus.	296,471 bus.

There is some talk now of Canadian importations. With neapolis September wheat selling at $1.15 and Winnipeg October at at 84¢, or 31¢ per bushel difference, we are very close to t basis, as wheat in Minneapolis is bringing a big premium, and s of choice wheat can be purchased in Canada at good discounts. ertheless, we do not look for importations to be heavy enough change the situation. We also realize that the Canadian market in a position now to advance fully as much as ours in view of the ong European situation.

Premiums everywhere continue strong, and were again somewhat her in the southwestern markets. Primary receipts are very light, ,000 bushels versus 1,081,000 same period last season. Stocks at sas City, Duluth and Minneapolis show an increase of only 96,000 hels, again pointing to a fair-sized decrease in the visible sup- on Monday.

Corn followed the fluctuations of wheat, declining at first in pathy with same, and then recovered as the session progressed. mary receipts continue to decrease compared with last week and t month, today being only 628,000 bushels, and new offerings

(OVER)

are infinitesimally small. The trade is anxiously awaiting the Government report next Monday, and if the low estimates of the private crop experts are confirmed, we look for new speculation in thi article. At the present time the load of the visible supply is rather burdensome, but it is a condition which we think will improve gradually from week to week and from month to month until finally it will be reduced to very small proportions.

Oats were again higher, and rye somewhat lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Sept. 8th, 1934.

Overnight news was rather colorless and general indifference
he stock market, with no further indicated settlement of the
ile strike, was tossed aside as far as grain news was concerned.
rpool was fractionally higher, and while not responding fully to
advance of yesterday was at least showing a better undertone.
igners seem to be living more in the future than in the past. It
enerally recognized now that the world wheat production outside
ussia and China will be at least 400,000,000 bushels smaller
year than last with world carryover about the same. Therefore,
y burdens everywhere will gradually shrink to more moderate pro-
ions. Crop conditions in Australia continue unfavorable, and
nt reports mention the immediate need of rains in Victoria and
h Australia, where lack of moisture has been felt. Recent rains
improved crop conditions in the Argentine, and the outlook is
rally favorable, but acreage for 1934 will be more than one
ion acres short of the previous season; and this has inspired
confidence.

Our domestic markets are not paying a great deal of attention
oreign news, because with our short crops this year we are def-
ely on a domestic basis. The fact that strong cash premiums
ail in all markets is reassuring, and this, together with re-
l of hedges by millers, has imparted more strength to the market
ne last week than any other factor. We are not enjoying broad
ulation; and, therefore, cereals depend upon actual merit in
r to make gains.

According to the Northwestern Miller, the flour production for
month of August in certain geographical sections amounted to
2,781 barrels, compared with 4,686,471 in July; and 4,534,059 in
st 1933. Not only were the total grindings greater but in all
itories was there an excess over the year before. In our opin-
it will be the removal of hedges from this time forward that
prevent any serious market declines. We expect that the visible
ly on Monday will again decrease moderately, and shrinkage of
ks has started earlier than in normal years because of the fact
the northwest had a complete failure; and therefore receipts in
e territories have been extremely light.

On Monday the government report will be given to the trade,
no great variations are expected from figures recently circulated
rivate experts. However, there has been no improvement in the
crop, and some believe that possibly a lower figure than the
ige of private estimates might be published. This great shortage
orn together with a failure in oats, also the small hay and forage
s, is bound to mean extra feeding of wheat. Therefore, it is
ssible to tell at this writing what the domestic consumption will
or the coming season, but certainly considerable more than the
figure of last year. On basis of our carryover, which amounted
90,000,000 bushels, plus the estimated production of 491,000,000
els, the domestic supply will total 781,000,000 bushels. Assum-
extra feeding, which might give us a domestic disappearance of
000,000 bushels, the carryover on July 1st, 1935, would be down
41,000,000 bushels, or practically normal. This, of course, is
on the assumption that we would not import or export any wheat.
the short supplies in the northwest and prices nearly high
gh to invite imports, an inflow is likely, (in fact some has al-
y taken place) despite the 42¢ per bushel duty, although we are
much impressed with the thought that any large business in this
ction will take place.

Primary receipts of wheat were 891,000 bushels versus 841,000
year. Stocks at Kansas City, Duluth and Minneapolis show a
increase so far this week of 385,000 bushels. Canadian marketings
large, amounting to 4,268,000 bushels. The wheat market de-
firmness in Winnipeg reacted somewhat, probably due to the
r price for corn, and the government cotton report which was con-
ed as slightly bearish, as the quantity estimated was slightly
than expected. Traders are watching every phase of the specula-
situation trying to find new clues; and the market is, therefore,
y affected by small operations.

Corn is still feeling the effects of large supplies at terminals,
because of the small crop we think that this will all change in
, and with patience the price level is bound to be better as the
on progresses.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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UHLMANN GRAIN COMPANY
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MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

Sept. 10th, 1934.

Trade was extremely light today; but nothing else could reason- ly be expected in view of the great uncertainties of the moment. A vernment report will be issued today after our session closes, and great variance from last month's estimates and those of the private perts might immediately change speculative sentiment and bring about arper fluctuations either way.

The results of today's elections in Maine will be watched with eat attention, as they may be an index of the favor or disfavor in ich Washington policies stand. They may even influence action at e Capitol and become a factor in the stock market, which in turn ld have its repercussion on commodities.

There were two distinctly bearish features in today's situation. e was the weak cables, with Liverpool finally declining 1 1/2 to 3/4¢; and the other was the very heavy rains in the southwest. ainst this was the continued strength in the cash situation, wheat inging higher premiums almost daily in the southwest. As we are fronted mostly with a domestic situation and as the new crop has yet been sown and is still subject to the vicissitudes of the wea- er, this year's shortage remains a most important consideration. erefore, no serious decline is likely to take place, and we believe ne is in sight; but as our heavy wheat stocks accumulated in former ars gradually disappear, increasing strength may come to the fore rough the action of supply and demand. This ismore a long-time an an immediate proposition.

The visible supply increased 515,000 bushels, which compares with increase of 1,200,000 last season, and the total is now 30,000,000 shels less than then. The spring wheat movement probably has passed peak. Buffalo wheat stocks are rather small, and as they must be plenished before the close of navigation any heavy drain on the uth stocks with a decreased movement in the southwest would soon e great inroads on supplies at terminal points.

Primary receipts continue to be lighter than last year 1,299,000 shels today compared with 1,414,000 a year ago, but considering the rt crop they are comparatively fair. However, as time goes on they bound to be much lighter. In the meantime, Chicago wheat stocks reased about 300,000 bushels for the week, bringing them down to 00,000 bushels; and over 300,000 bushels more warehouse receipts e cancelled for shipment. This is important insofar as the futures Minneapolis are selling at more than 10¢ per bushel over ours, and Kansas City, freight and other shipping items considered, about r 7¢ more than in Chicago. Consequently, there is no chance of any plenishment from those centers, and this market for the balance of year will depend entirely upon the straggling receipts coming from nearby states -- Illinois and Indiana. It is very clear, therefore, t this great big center will have to be prepared with its large unt of future holdings on a basis of very small stocks, particularly uld conditions develop so that deliveries would be demanded.

We do not think the government this afternoon will change its ures on winter wheat, and it is not expected there will be a radical ference from the previous report on spring wheat.

At the close the wheat market showed a decline of 5/8¢ per bushel pared with Saturday's final figures.

Great uncertainty exists on the corn figures to be given out this ernoon by the Agricultural Department. Everybody is convinced that re will be a big shrinkage in the estimate compared with last month; whether the report will be quite as pessimistic as many expect, ains in doubt. Therefore, it is useless to make any guesses as to orrow's market, as it all depends very largely upon the information ch we shall receive this afternoon.

In the meantime, the movement shows a great letting-up, but the ible again increased moderately- 908,000 bushels, and total supplies now almost 4,000,000 bushels larger than in 1933. At the close n was 3/4¢ per bushel lower.

Oats held comparatively firm, but rye was lower on fears of more ortations from Poland.

Monetary matters were no partiaular influence today. The publica- n of the terms of the refinancing of government obligations was very h as expected. The fact that somewhat higher rates of interest have be paid is not in itself very serious as yet, but it shows a cer- n trend, and proves that if the large expenditures are continued for indefinite time without the production of sufficient revenues, the dency will be for a weakening of the government credit, which ally might lead to more inflationary measures.

DAILY MARKET LETTER

MEMBERS:
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CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

Sept. 11th, 1934.

The government report on spring wheat yesterday brought no urprises, but it reiterated, and brought attention once more to the xtremely poor outlook in the spring wheat states. While the total rop of this cereal is approximately 93,000,000 bushels compared ith about 254,000,000 bushels, both including Durum, on a five-year verage, on properly analyzing the report, it makes a still worse howing than the surface indicates. The four chief states on which e depend for our supplies are Minnesota, North Dakota, South Dakota nd Montana, and they will produce only 49,664,000 bushels bread heat, versus 140,000,000 bus. on an average. When it is considered hat they require for seed purposes possibly 15,000,000 bus. there ould be left for consumption only about 35,000,000 bus. Then when ccount is taken of the fact that the Buffalo and eastern mills alone ould absorb this quantity; also that the country mills have to fill heir requirements before the large mills at Minneapolis can obtain heir supplies, it is quite plain that finally it will be a struggle meet the absolutely necessary demand for spring wheat. It is ue that the states of Idaho, Washington and Oregon will raise about ,000,000 bus., and some of this could be shipped east. But freight ates are high and the total quantities so available are at best ly moderate. The demand for the spring wheat has already resulted extremely high prices for same. Minneapolis futures are selling actically 10¢ above ours, with freight rates to their disadvantage; d cash wheat is bringing big premiums over their futures. This ondition is probably accountable for the fair movement which has ken place so far on this crop, but it alone would not be responsible r the big receipts. Evidently this must come about through great creases in country elevator stocks of old supplies, and also rough large purchases from Kansas City and other hard winter wheat ints. When we consider, however, that it will take 9 1/2 months re until there is another crop of winter wheat raised, and 10 1/2 nths until another spring wheat crop matures, it will not be dificult to believe that before the end of the season we shall have a cture which is entirely different from the present one.

It is unavoidable that stocks everywhere at the end of the ason will be extremely small; and therefore higher prices later would not be surprising. This regardless of any foreign situation, cause this season we are so fixed that even if Europe should want r wheat, we could not possibly supply her wants. In fact, we are much nearer an import than an export point that more or less imrtations might take place; but on account of 42¢ per bushel duty e quantity probably will not be very large, unless our prices would nally go much higher than we expect.

Cables were a trifle lower today, and sentiment overnight s rather bearish, the government report on corn having been a ttle larger than expected, which traders thought might have a mpathetic effect on wheat. However, the inherently strong situaon asserted itself very soon.

At the close the wheat market showed an advance of 3/4¢ per shel. High cash premiums are being maintained everywhere. Priry receipts were 938,000 bushels vs 983,000 last year, but the discepany compared with the previous week is much greater, and it is ite apparent that the peak of the movement has been reached. icago received only 102 cars of all kinds of grain,-wheat, corn, ts, barley, and rye. Stocks at Kansas City, Duluth and Minneapolis far this week show a decrease of 542,000 bushels. There were adtional warehouse receipts cancelled of 186,000 bushels to be shipped st, which goes to show that from now on shipments will exceed recipts.

The government estimates the corn crop to yield 1,484,000,000 shels. This is one of the lowest crops in about fifty years; but, r the reason that private experts had expected a still greater lamity, it was construed as moderately bearish. However, when it considered that the crop is about a billion bushels less than the ve-year average, and that it is still a billion bushels less than dinary consumption, it certainly should be construed as bullish.

(OVER)

Chicago usually receives its large supplies from Illinois and Iowa. Both states raised considerably less than in 1933; Illinois about 46,000,000 bushels less, Iowa 223,000,000 less. It is therefore quite apparent that the movement to this center promises to be extremely small during the next twelve months after th harvest. It is quite true that there will be fewer animals on fee than in many years, but the discrepancy in the amount of feed whic is required compared with other seasons is not nearly as great as the shortage of supplies. We are inclined to think that the good precipitation which has occurred of late and the beneficial change for the plowing and seeding of wheat will be rather bullish on cor. Many farmers who sacrificed some of their cattle during the drough fearing further lack of moisture now feel that with the better pri and the rains, with consequent improvement in forage, there is a great incentive to keep at home and feed as usual whatever livesto is left.

There is a decided falling off in corn offerings, and we look forward to a much reduced movement. We still believe that th usual heavy movement when the new crop comes on the market will be absent this season.

There is nothing new in the monetary situation. It seems that the English government, and also our own, are using their respective stabilization funds to keep exchanges where they are, and prevent sharp fluctuations. Anyhow, this is likely to be the policy until the new government offerings are absorbed. In the meantime, however, there are no signs of any reduction in our expenditures, and as day by day passes without any improvement in th condition the danger of inflation will increase; and the longer it is kept away the more uncontrollable it may become. Only when we know that the budget will be balanced will we be relieved from thi fear.

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DAILY MARKET LETTER

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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO

September 12, 1934

There was very little moisture overnight, but the forecast is for
vers in practically all states with the exception of western Kan-
and western Nebraska. Recent moisture has been of great bene-
not that it helped either wheat or corn, but rather that it im-
ved pastures and made the land more easily plowable for winter
ding.

It is difficult to appraise the drought as an economic influ-
. Certainly the reduction or elimination of surpluses may be
idered a real benefit and will help the farmer in years to come.
with the smaller corn, feed, and hay crops, the farmers' income,
use of higher prices, should be greater this year than last. Al-
y Washington has shown its anxiety about the upward tendency of
il food prices, and some statements have been made in anticipa-
of any anti-profiteering program.

The administration will probably pay out about $500,000,000 in
fits of various sorts, mostly as bounties for restriction of pro-
ion. There will also be about 525 millions expended for drought
ef, which will be a further income to the farmer. Of course the
er's purchasing power has been adversely affected by the rise in
es of the goods which he buys, but on the other hand nearly 1,700
ions of farm mortgages have been refinanced, which means consider-
saving to him in interest payments.

Our market was affected at the opening by firm quotations from
rpool. This came in spite of a somewhat bearish Canadian gov-
nent report issued late yesterday. A total wheat crop in Canada
77,000,000 bushels was not entirely a surprise, as Sanford Evans
t a week ago had prepared the trade for about the same figure.
ver, the estimate was somewhat higher than most of those which
published by American crop experts. The crop at best is not a
e one, and therefore should not materially change previous
ulations.

There is no change in foreign news. Australia claims insuffi-
t moisture for requirements and immediate good rains are still
y needed. In Argentina rains were received during the past week,
no serious complaints are coming from there, with crop conditions
rally favorable. Canada continues to furnish only small quanti-
of wheat, although total world wheat and flour shipments from
st 1 or for the six weeks period amounted to somewhat over 63 mil-
bushels or about 4 million more than for the corresponding period
ast season. As the import requirements will be larger than last
, it still appears likely that Canada will have no difficulty in
g its share of business as the season progresses, and in fact
ld cut down its heavy carry-over very considerably.
In some quarters is has been feared that Canadian wheat might come
this country on a liberal scale. However, Canadian prices are not
heap as they appear on the surface, because their dollar has been
ncing right along and is now about 3 1/4% premium. This, with
42-cent duty, makes large importations unlikely.
Primary receipts were 770,000 bushels today compared with 800,000
year. However, shipments amounted to 1,505,000 bushels, which
uite significant, showing that the arrivals were only about half
reat as the outflow. There has been a net decrease so far of
000 bushels at Kansas City, Duluth, and Minneapolis. Winnipeg
etings were heavy, slightly over 4,000,000bushels, although the
es were fairly well absorbed and their market held almost better
ours.

As the session progressed lack of speculation appeared as the
factor. Premiums in cash markets were pretty well maintained,
apparently not enough hedges were removed to offset the small
idating orders that came through commission houses.

(over)

Corn was strong early but finally yielded to the weakness of wheat. It is generally felt that with the government advancing 55 cents now to the farmer, he is enabled to hold on to his crop somewhat longer. Many were hesitating and wondering whether to ship or hold. However, this policy should have a tendency to slow up receipts, and therefore there will be a gradual reduction in terminal stocks which at the moment is still a somewhat depressing factor.

Rye was weak. Judging from pit transactions it appeared that hedges against further importations were responsible for most of the depression.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO Sept. 13th, 1934.

The federal bond market while firmer today has been characterized by extreme weakness lately. At times Treasury Bonds were very weak, and lack of much government support proved somewhat surprising in view of the fact that two new issues have just been offered to holders of old bonds. Since this class of security has declined faster than most other first class bonds, one must conclude that it is not due to immediate fear of inflation but rather to the reasoning that as long as the large expenditures continue new offerings will come on the market right along. This in turn might depress bond prices. There will be no trouble for a long time to sell all that will be required provided the terms are good, but if at the end the interest rates are affected it will be contrary to the wishes of the administration, which needs cheap money. It is difficult, therefore, to predict how long these opposing policies can be pursued.

It was just a little more than a year ago at this time that one of the main aims of the administration was to bring back the farmers' purchasing power, and in fact it was stated that higher prices for farm products would be attempted at almost any cost. In the meantime the urban consumer is paying a larger proportion of his income for food, and to that extent the picture has changed with the high cost of living gradually commanding more attention. Of course the AAA has provided liberal compensation for the curtailment of acreages, and this apparently will be continued for another year so that the easy money will again accrue to the farmer. Rising prices and local shortages have not made the policy of restriction any more popular; and though the government still professes to believe in it, the pressure of farming opinion shows signs of forcing a retreat especially since that vote will prove quite valuable in the November elections.

Some rains have been reported overnight with a forecast similar to yesterday's during the next 24 hours, suggesting a generally showery condition with the exception of western portions of Kansas and Nebraska. Rains extended into Canada, and with threshing operations nearly completed in Manitoba this was hailed as beneficial. As against this news, Liverpool maintained a rather firm tone with the result that our markets had some recovery after an early break.

During the last few sessions outside factors have really had more influence upon markets than grain news itself. This is not surprising, because with no settlement of the strike, depressed government bonds, and importations of rye from Poland the average trader has assumed a rather indifferent attitude, not wishing to undertake new commitments until he could visualize a more comforting picture.

Nevertheless the wheat market taken as a whole acted very well. Considerable liquidation came into the market, but offerings were well absorbed. The fact that Canada was actually higher, despite liberal country marketings, probably had something to do with our firmness. Farmers delivered 3,542,000 bushels in Canada, and this has been going on now for some time, which means hedging pressure; but values have not been depressed and no doubt implies that their price structure is low enough. Our primary receipts were 700,000 bushels; almost half of this comprised arrivals at Minneapolis and Duluth. Shipments were somewhat larger, showing that the demand is keeping up. Last year primary receipts were slightly over one million bushels, and we believe that from now on it will be difficult to accumulate stocks at terminals, and rather expect that diminishing supplies will prove to be the case. Kansas City for three days of this week decreased 659,000 bushels; and southwest premiums are fairly well maintained.

Corn made a poorer showing than the leading cereal, but our chief interest centers in the fact that fundamentals are sound. If this reasoning is correct, some day it will come into its own; and we therefore urge that not too much attention be paid to the unimportant fluctuations from day to day, as feeds of all kinds are short enough to make coarse grains an attractive investment for those who have patience.

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FORT WORTH GRAIN AND COTTON EX.

September 14, 1934

Skepticism has been expressed at times as to the value of culation upon markets. If there ever was a time when its efacy could be shown, we think the present is possibly one of best examples. Our wheat market is almost entirely a consumpe one. We are dependent upon the removal of hedges for our supt, as speculation is at a low ebb and sentiment generally is pred with pessimism, mostly because of conditions outside of the in markets but which nevertheless bring about liquidation from e to time regardless of the actual shortage in cereals. We fer with these people and believe that the final outcome will ness higher grain prices because, as we mentioned in previous ket letters, we have gone from a period of superabundance to one near-scarcity. We do not mean by this that any one will starve, instead of having huge carry-overs from one crop to another unts will be moderate, and when crop scares come now and then as y do in the winter months, it may easily bring about an entirely ferent sentiment.

Just now this sentiment must be divided between urban and rural ups. In the country there seems to be spending power in spite of devastation left by the drought inasmuch as the farmer has govnent money. Mr. Wallace stated yesterday that the drought left one real problem: namely, "feed for livestock". He claimed re would be plenty to eat for human beings, also work for the titute, CCC camps for the young farmers, and 587 millions in cash rentals and benefit payments. Some of this money has already e forward, and Mr. Wallace expects that next month about 60 milns will be paid to farmers in the stricken areas. This heavy nding, even though it may encourage business for the time being, looked upon as presenting a further problem to the balancing of budget.

This last mentioned factor, together with importations of rye, ley, oats, and durum wheat, has been quite a shock to those who e friendly to the market and we think was in a large measure rensible for much of the recent liquidation. In our opinion, the ntity of grain brought in from other countries will not be large, hough sentimentally it has already had its effect. We furthermore not believe that in the coming year domestic consumption will be where near as small as it was last season. According to some ures recently compiled by the Department of Agriculture, last 's disappearance was the smallest in more than five years.

Shrinkage in exports was not the only feature. A further loss domestic consumption, which we attribute in part to the small unts of wheat fed and in part to curtailment of flour purchases use of the processing tax, had considerable effect. We can ly see an additional 25 to 50,000,000 bushels of wheat feeding crop year, as there are localities where corn is already coming a very high price. Today, for instance, some #2 white corn sold out of Kansas City to be shipped to Amarillo, Texas, at ice of over $1 per bushel at destination. With the very acute shortage in Texas, Oklahoma, Kansas, and Nebraska, it stands eason that corn will not be shipped to those places at a higher e if there is wheat on hand to keep animals alive. The recent ture might even be considered bullish on feedstuffs due to the that the farmer is encouraged to keep his animals where pass are returning and water is available, instead of shipping them arket. In other words, the present trading psychology might tly change before many more months pass; and we adhere to our iously expressed thought that none of the cereals will sell on bargain counter this year.

(over)

In Canada the break was not as severe as here. There is a possibility that the government supported their May futures. Nevertheless, that market has taken its burden in a masterful way. The amount of wheat delivered at country stations is well above last year, and the total from August 1 to September 11 amounted to 65,000,000 bushels, compared with nearly 44,000,000 for the corresponding period of last season. Marketings for today showed a slight falling off, somewhat in excess of 3,000,000 bushels.

Our primary receipts are keeping up at a fair pace considering the size of crops, 710,000 bushels today compared with 1,066,0 last year. Shipments again exceeded the receipts and amounted to 795,000 bushels. There is a decrease so far at Kansas City, Duluth, and Minneapolis of 1,911,000 bushels. However, one of the elevators in Minneapolis which is no longer a public house account for the heavy shrinkage in the Minneapolis wheat stocks, and henceforth their supplies will not be reckoned in the visible supply column.

It is difficult to make immediate forecasts, since the markets are not reflecting their own news. A sharp break such as occurred in corn today was another blow to confidence, but we are convinced that there is nothing the matter, intrinsically, with th yellow cereal. Therefore, we see no reason to change our attitude nor, furthermore, do we believe that breaks from this level will be far extended. Rye and oats were subjected to further liquidati

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CHICAGO Sept. 15th, 1934.

Confidence had been pretty well shaken during the week, more by
h threat of further importations than by the quantities actually
tracted. The decline in government issues also caused pessimism
financial centers; and early quotations this morning were again
ghtly lower. The Treasury's refunding operations were apparently
ried through successfully, but not with the enthusiasm that many
hoped for. It is recognized now that with the heavy spending
re will be the need for many more bond issues; and with that in
d the private absorption is somewhat curtailed, with the thought
t investments can always be made and that there need be no hurry
rush in now. Added to all this, there seems to be no immediate
ook for strike settlement, with the result that some businesses
already reporting a slight recession. According to Colonel
s, "The present relationship between debts and income is more
ardous than ever existed previously. National policy should aim
checking governmental expenditures and increasing national in-
e."

Nevertheless it became quite apparent after the first few
nsactions that the grain markets had pretty well discounted much
the pessimism of the past week. Cash premiums in the southwest
e unchanged, but practically no wheat in Wichita or Hutchinson
selling for less than 4 1/2 to 5¢ per bushel over the Kansas City
ure. It is also noteworthy that stocks at Kansas City have de-
ased over one million bushels so far this week, which is cer-
nly a strengthening influence. It must further be recognized
t while sentiment has some effect upon markets, finally they will
l on their merit. Present receipts are hardly sufficient to re-
nish sales that are being made, and some wheat is being taken out
Chicago with very little chance of any movement inward. Kansas
y and Minneapolis are both selling at such attractive prices, with
ir cash grains at a premium over futures, that there is no chance
attracting their stocks to our market.

Therefore we feel that when cognizance is taken of news actually
rounding the grain markets that those who had recently sold will
oubtedly find inspiration to reinstate commitments.

Rains have been quite general the past 24 hours over Texas,
tern Kansas, Iowa, and in fact extending into the soft winter wheat
tes where in some localities moisture was quite heavy. The central
tes will probably also receive additional showers so that the
ught is gradually being broken, and winter wheat seeding should
gress almost normally. It will be eight months, however, before
ther crop comes to market, so the shortage of the present one
ht be felt as the season goes on, particularly if feeding opera-
ns are above normal, as we expect they will be.

The ratio between primary receipts this year and last is about
same- 697,000 bushels against 1,091,000 at that time. Kansas
y, Duluth, and Minneapolis showed a net decrease in stocks so far
s week of 2,422,000 bushels. Primary shipments of wheat amounted
395,000 bushels, confirming the statement made above that demand
more than taking care of supply.

A moderate rally that took place in wheat during mid-session was
maintained, and in fact all cereals eased off toward the close,
lack of leadership largely responsible for the weakness. Pos-
lity that feeds might be imported, duty free, into drought sec-
s is likely; but there are not enough feeds coming into this
try to make any particular difference, as we see it.

Extreme weakness in rye was also noted after a statement yester-
that several cargoes from Poland were destined toward American
es. Therefore, trading indifference brought all cereals to a
er colorless close.

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DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO Sept. 17th, 1934.

Capital investments will proceed but slowly until there is free- from present governmental restraint. Just how far the recovery ement is expected to go without the support of banking interests big business, is still quite a problem; but in any event it is ob- us from sentiment generally that regimentation of industry is not ving very popular, and the entrace of government into business in y cases has come into conflict with private initiative at the ex- se of the taxpayer.

At the moment, eyes are focused toward the patent sluggishness affecting the government loan conversion, and it is reported that proceedings last week were somewhat below expectancy, which would l to indicate that the Treasury might not be able to exchange as y bonds as it had contemplated. At any rate, there is some evidence the long-time borrowing power has not been strengthened by the y expenditures, and by far the majority of holders are choosing to ept the four-year offerings.

All of this news has had a rather adverse effect upon business iment. Whether or not the stock market is more pessimistic than is ranted remains to be seen. A great many thinking people believe without any further monetary experiments public confidence might ily be regained.

Week-end news did not bring forth any new developments in grains. her was quite favorable. Showers occurred in a few localities, and e were no frosts to interfere with grain ripening, although Liver- quotations were rather weak and this caused some indifference as market opened. It was quite generally felt, however, that last 's weakness had pretty well discounted many of the bearish factors. eak of nearly 8¢ per bushel in the price of rye placed that cereal position where further imports, at least for the moment, are not active.

There had also been liquidation by holders of coarse grains on theory that there might be heavy importations which would hurt the e. It is true that the importation of hay and straw will be al- d duty free into certain drought-stricken areas, but this can be done either by feeders direct or through some emergency relief nization, which would probably tend to restrict volume. It seems er pitiful that a country which heretofore has been engaged in cultural pursuits should suddenly resort to the purchasing of grain other countries. Some consider that the wilful killing of animals the plowing up of fields is actual destruction of wealth. In the small crops were always considered unfortunate, because even with high prices that often followed they meant reduced hauls for the roads and less revenue for the country at large.

At the present time certain disclosures have been made that a er of farmers are violating their adjustment contract. Despite rnmental benevolence, Mr. Farrel, Chief of the AAA wheat section stated that there are already a thousand cases of evasion reported e the reduction provision was not properly complied with. Some of , of course, might be unintentional, but it will be interesting to now if any steps will be taken to correct these problems.

Probably one of the most potent factors today in helping to bet- sentiment was the large decrease in the visible supply, which a- uted to 3,551,000 bushels. This compares to a substantial increase ar ago; and the total now is 35,000,000 bushels smaller than it at that time. Some of it was due to the change in Minneapolis e a public elevator became private. Chicago also shared in the de- se, with some shipments made from this market to Canada; and the nce was mostly routine. We expect, however, that this tendency continue for the remainder of the crop year, and finally will be ctive.

As soon as importation scares are over all cereals should do bet- as intrinsically they have merit. If the oat crop had been mated by the last government report at 25,000,000 bushels greater, not think that it would have been construed as a bearish document; therefore we fail to see why the trade should become too alarmed etwise, even though some imports from other countries are likely. ary receipts today of wheat were 963,000 bushels against 1,042,000 ar ago; practically half of the wheat received was at Minneapolis Duluth.

(OVER)

The visible supply of corn increased today, and stocks are 4,611,000 bushels greater than they were in 1935. On the small crop however, we do not look for a large primary movement at any time; and feel that with patience the last mentioned circumstance will also be corrected.

Rye showed a sharp recovery, and at one time was about 3¢ per bushel higher.

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September 18, 1934

A year ago today much was heard of inflation, which had quite
bearing upon grain values. The gold price at that time was quoted at
1.44 per ounce compared with $30.40 the previous Saturday. We
ntion it because sometimes we forget quickly, but in those days
e Treasury Department set the price each morning and this creat-
considerable excitement until finally the yellow metal was sta-
lized at $35.00 per ounce. During the same period sterling ex-
ange fluctuated as much as 7 to 10 points per day, and that also
d considerable to do with grain fluctuations, as it meant more
an one cent per bushel in the price of wheat. Besides that,
rious new propositions were being considered to force consumers
buy, also methods for banks to loan money, and the policy was
opted of killing more little pigs to help hog prices. These
atures are called to mind because we have more composed monetary
nditions prevailing right now, and many people act as if infla-
on might not be a factor simply because it has not provided
ch of an impetus to date.

We adhere to the theory that devaluation of the dollar to-
ther with the tremendous spending must finally bring about in-
ation in one form or another. Of course nobody can tell at what
ne it will occur, and it is even possible that we will not get
until 1936, as in the meantime the demand for capital goods will
main very poor and there is still a great overproduction which
kes it difficult for values to rise. However, there is a like-
hood that if grain prices next year are high the natural demand
ll increase.

A year ago the government was attempting to export some of the
rplus wheat from the Pacific coast, and this was all effected at a
nsiderable loss since the world price of grain was so much lower.
day there came the announcement that there might be 5 to 15 million
shels of wheat purchased in that western territory for relief pur-
ses, but we do not believe that the reasons behind this move are
e same, because the administration is apparently not attempting
rther recovery through higher farm prices, judging from their ac-
on. They appreciate of course that the relief burden must con-
nue, but the high cost of living in the cities will no doubt be-
me much of a factor during the winter months and therefore no ef-
rts are being made now to bring about better prices for farm pro-
ts.

With this in mind, it is not surprising that our markets have
mained so dull during the past few weeks. Despite the very small
n crop, the Bureau of AgriculturalEconomics states "The process
price adjustment to supplies appears to be practically completed".
feel, however, that even though stocks at terminal markets are
ry ample at the moment, from now on new receipts of corn will be
ry small and therefore the market ultimately will be much better.
kewise in wheat, we can visualize the visible supply decreasing
avily and from now on we anticipate light receipts both at Duluth
Minneapolis, which means a strengthening of the whole situation.
er more hedges have been taken from the market the burdon will be
h lighter, and we expect that speculative sentiment will have
ergone a great change.

Today's market was rather aimless. The trend was mostly lower,
so much because of any particular news but simply on account of
ifferent demand. There were signs of mill support, and the nearby
ivery gained considerably on December wheat with the result that
two deliveries sold at practically the same price. In the south-
t every bushel of hard wheat that is sold commands a good premium,
as long as this is the case there will not be any pressure upon
near months. This should be in favor of the speculator, and in-
ad of his being handicapped as in ordinary years by paying a car-
ng charge, just the reverse situation exists. Primary receipts
e large today, comparatively, 889,000 bushels vs 735,000 last year.
pments amounted to 586,000 bushels. Country marketings in Canada
growing somewhat less, today's deliveries amounting to 1,706,000
. Winnipeg seems to be carrying the burden quite well, and fluctu-
ons up there have not been very great in either direction.

Corn brokers claimed that trade in that pit was the lightest in
e time, and fluctuations were unimportant. The fact that rye had
follow-up after yesterday's advance but rather came under liquidat-
pressure took some of the courage from bullish operators; although
erally speaking, there is no urgency to sell short, as it is recog-
ed that cereals of all kinds are away beneath normal production and
t with any improvement in outside speculation the picture could

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DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
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MMODITY EXCHANGE INC.

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TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Sept. 19, 1934.

On March 26 of this year our President made the positive state-
t that he wished speculation in securities and commodities cur-
led. As we mentioned at that time it was known that the President --
perhaps, for that matter, the majority of Americans -- were opposed
any wild market fluctuations. There is however, a very clear
tinction to be drawn between speculation and gambling, but we have
ays had many laws on our statute books prohibiting the latter.
effort that has been made to restrict what might be termed legit-
te speculation has been quite a detriment to all our markets.

Eleven months after the initiation of the Warren gold buying
gram, the average of industrial shares is only two points higher.
grain the comparison is not as bad, as we have had more or less ad-
cing markets. On March 27 wheat was selling around the 85-cent
el, and corn was worth about 50 cents in Chicago; but it must be
embered that we harvested a wheat crop that was a failure following
n the heels of last year's poor crop, and only the large carryovers
m the past saved us from disaster. Corn likewise is the shortest
p in a generation, but nevertheless there has been the feeling gen-
lly that grains have not responded very well considering the infla-
nary tendencies and the tremendous crop losses. Certainly the
stic curtailment of the ordinary speculative support may be given
one of the primary reasons. It is quite clear that if any radical
sures are taken, through either stock exchange or commodity bills,
trading volume will fall off even more. A good many grain orders
already being diverted to the Winnipeg and Liverpool markets.

Today's chief event was a statement by Broomhall that Argentine
at could be laid down in New York, duty paid, at about $1.12 per
nel, which was practically in line with domestic prices at that port.
ns in the northern part of Argentina broke their values about 3¢
ng the past few sessions, and October wheat is currently quoted
re at about 60 cents per bushel, which is the lowest figure in some
e. We do not look for any heavy importations of this Rosa Fe wheat,
at the same time the fact that we are that near an import basis
sufficient to cause disheartened holders to liquidate some of their
mitments.

The consumptive trade was not sufficient to offset the selling
ers, and with very little new interest in our futures declines were
her easily attained.

The Liverpool market closed extremely weak. In addition to
d crop prospects in Argentina, recent rains have been received in
ain growing areas of Australia, with an improvement noted in the
o outlook of those districts. It is a fact that with the European
os moving now, together with Argentine pressure that temporary
ness may result; but on the other hand, a price of 60¢ at Buenos
s is so low that with shorter crops than last year it is not
ly that this will continue. We rather regard the foreign weakness
emporary.

At home we are practically on a domestic basis, and, as has
mentioned before, despite the fact that small quantities may be
rted from other countries, we do not think that this will fill up
many holes which have been made by our domestic shortage. We note
northwestern receipts are getting very light; and in fact the
ment in all sections is becoming small. This refers also to corn,
h in time could easily change the pessimistic outlook which
ers have assumed.

There has also been a lot heard of Canadian importations for
. consumption, but according to Sanford Evans, from July 1st to
ember 8th only 15,000 bushels were brought in compared with 2,000
year. The imports into U. S. bonded mills for the same period
2,058,000 bushels versus 2,411,000 in 1933, which does not sug-
any unusual activity.

Primary receipts of wheat were 539,000 bushels against 886,000
previous season; shipments amounted to 533,000 bushels. So far
week stocks show a net decrease of 260,000 bushels at Kansas City,
th and Minneapolis.

There was no particular news in corn; with an import duty of
per bushel thore is no chance of any Argentine business, and the
ines were orderly, mostly in sympathy with the leading cereals as
sult of general discouragement.

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DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO Sept. 20, 1934.

Our markets were very largely influenced today by the sudden ange from weakness to strength at both Liverpool and the Argentine. former years we carefully scrutinized every fluctuation abroad, be- use we were then an exporting nation and the size of sales of our duction abroad naturally depended upon prices which they were lling to pay. For a number of yearswe have been too far out of line consummate shipments of our surpluses to foreign countries, so at prices even at the important center -- Liverpool-- became more matter of curiosity, and at best had only a sentimental effect. st now we again have to very closely watch values in Europe, as re exists the possibility of importations of wheat, particularly uld the difference between Liverpool and Chicago widen further.

Yesterday Broomhall gave out some figures which indicated at the New York mills, but of course not the interior, might be very se to an import basis for Argentine wheat. However, representa- ves of the largest grain houses at Buenos Aires disputed that, as basis of present levels there was no prospect of wheat transactions ich would make it possible at the moment to ship wheat from the gentine country to the United States. The impression nevertheless s been gaining ground that at least a limit would be set on our price vances unless foreign markets would follow. Therefore, the advance about 1 3/4¢ per bushel at both Liverpool and Argentina was a eat stimulating factor today. But this alone could not have given the strength which prevailed during most of the session had it not en for the continued active milling demand existing at the present me, and which is likely to keep up until a new crop is harvested. any big miller in this country sells a round lot of flour over- ght he is compelled to cover his requirements by buying from those had accumulated it before; he cannot get it in sufficient quan- ies from the farmer as the moderate receipts will not enable him do so.

We had some reports today that probably 60% of this year's op in Kansas had been marketed already; so it will be very slim king for those who are in need of the hard wheat for the next nine nths. The consequence is a continued reduction of stocks at ter- nal markets, and the removal of hedges, which in itself lends rength to the price level.

Today's primary receipts were 798,000 bushels, practically e same as those of a year ago, when they were 784,000 bushels; but e comparison might be very misleading as there is more duplication ng on than usual. For instance, out of this quantity Duluth re- ved a very large shipment --339,000 bushels-- and it is quite dent that these receipts could not come from farmers' deliveries, must be due either to importations from Canada, or else shipments m Omaha or other places temporarily lodged at Duluth and which will ally land at Buffalo and be consumed or redistributed. Stocks so this week at Kansas City, Duluth and Minneapolis show a decrease 259,000 bushels. We expect to see another decrease in the visible pply Monday, although it probably will not be anywhere near as rge as last week. In an ordinary year when there is a normal spring eat movement there would be good increases.

At the close the wheat market showed an advance of 1¢ per shel compared with yesterday.

Somewhat similar conditions exist in corn; the movement from mers is dropping off very heavily; and today's primary receipts re only 487,000 bushels versus 901,000 the previous season. Offer- gs from the country are next to nothing. The demand, contrary to eat, is not very good as yet. It seems consumers have supplied mselves reasonably well, anticipating such events as have occurred, in due course of time their stocks will be depleted and will have be replenished. When that time comes we expect good decreases in visible supply. It is quite sure that we shall not have asfree a ement of corn as usually takes place in December and January when new crop moves, as the crop is so short that the scarcity must be lt sooner or later. The final figures in corn were 1 3/8¢ per shel higher than yesterday.

Oats and rye also showed great strength, and we believe the dency will continue to be upward, unless there should be too many portations, which however, we do not think is likely.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO Sept. 21, 1934.

The opening of our market was again entirely influenced by the
reat weakness abroad. Liverpool futures declined about 1 3/4¢ per
shel, and Argentine markets were from 2 to 2 1/2¢ per bushel lower.
ile everybody recognizes that we are on a strictly domestic basis,
et it seems as though the baby is not strong enough to stand alone
n his feet, but before long he will learn to walk by himself. This
s one of the years when our prices finally are likely to maintain
position independent of other markets, unless we should advance so
ch that importations will stop any further rise. With a 42¢ per
shel tariff and a 3¢ premium for Canadian exchange we think we
e still far away from that point, with the exception perhaps of
me special grades. For instance, we believe that importations of
rum wheat probably by government agencies for seeding purposes,
st have been on quite an extensive scale, otherwise the heavy re-
eipts at Duluth could not continue. Durum stocks at that market
creased during the week 333,000 bushels, which is quite a per-
entage of the small quantity raised in the three states of the north-
est. Consequently, shipments must have come from elsewhere. This,
e think, accounts for the good showing made in the primary re-
eipts --Duluth unloading 426,000 bushels, almost 40% of all the
eat received at primary markets. Therefore, comparisons with
her years are somewhat misleading, and the fact that terminal
ints received 1,028,000 bushels compared with 816,000 same period
 1933, under the circumstances is of no great significance. Re-
eipts at most other places were extremely small; and Kansas City
 far this week shows a decrease of 534,000 bushels, and Minneapolis
0,000.

Trade was extremely light, but the pressure at no time was very
eat. No matter what the news is, it seems difficult to bring
out sharp declines as long as the cash situation remains so strong.
e fact that September wheat is selling at a slight premium over
cember is a plain indication that the elevator concerns are not
tempting to make any deliveries; and if they prefer to carry their
eat into December without receiving any carrying charge, it is
t likely that their action then will be any different than it is
w. Natural reasoning, therefore, brings us to the conclusion that
ere will be no pressure on the nearby months either from farmers'
liveries or from cash concerns; and only if tired holders are
lling to realize can sharp declines be brought about. The funda-
ntal situation remains sound; and at the close the market showed
decline of 1/8¢ per bushel compared with yesterday.

The corn movement is extremely small now, primary receipts
ing only 583,000 bushels, or practically half of what they were a
ar ago, when they amounted to 1,178,000 bushels. New offerings
e also exceedingly light; premiums are still being maintained
pecially in the southwest. We have not the least doubt that every
shel of corn will be wanted before another crop is harvested. It
ll be difficult to supply our wants, except through great economies.
ere probably are less feedstuffs in this country at the present
me per animal than ever before.

Oats were very firm, but rye was lower; more importations are
pected and hedging sales took place during the whole session.

There is a hopeful feeling now that the textile strike will be
lled off. This anticipation helped both the cotton and the stock
rkets, and if it extends further it will also have a good sympa-
etic effect on grains, because after all, while the process is
ry slow if one waits for advancing values through consumption
adually overtaking supplies, very sharp upturns usually come when
nfidence is restored and speculation takes hold.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Sept. 22nd, 1934.

The fact that there was a better outlook for settlement of the tile strike was no doubt responsible for early firmness in the ck market today. This feeling of confidence was quickly imparted grain markets, together with the fact that Liverpool quotations e slightly better than expected and had recovered from a rather k opening.

Many have felt that it would be impossible to attain higher at prices in the next few weeks in domestic markets unless some bility were shown abroad. The extreme cheapness in Argentina has n looked upon with a frowning countenance, not so much because of impending importations, but at least the proximity of same, which a threat to our prices. In this connection it should be borne mind that while we are not so very far from an import basis at moment the threat grows less as time goes on. By this we mean carrying charges in foreign markets are sufficiently great to the time element quite a factor. In Chicago, for instance, ember wheat is quoted at about the same price as the May delivery, in Liverpool October wheat closed today at 79 1/4 cents while the future was practically 10¢ higher, namely, 89 1/8 cents. This s rather conclusively that unless importations are expedited withhe next month or two we doubt very much whether we shall be much bled with them. In other words, the disparity is not nearly so t between the May futures in foreign markets and our own, as it hen making comparisons of the nearby deliveries.

There was more moisture overnight, snow occurring over the dian provinces and Montana and showers quite general in our central es. The situation has been very greatly relieved since the summer ght, although complaints are beginning to come again from sections he Texas panhandle and parts of Kansas that drying winds have abed surface moisture.

Very little attention has been paid to next year's outlook, and f attention centers in the removal of hedges, which is having a ngthening influence on our price structure. This process of course uch slower than when it is anticipated by speculative demand. rtheless, it is healthy and simply requires more patience.

The visible supply on Monday will not show a very large dese, due to the fact that Duluth stocks had increased nearly 1,000,- bushels for five days. We assume that this is largely the reof importations of Durum wheat from Canada, but if the duty is it becomes a part of our domestic stocks. Since the entire Cana- crop of Durum wheat was so small, this may not even be consider- serious menace to our prices, particularly as our own Durum crop a complete failure.

Primary receipts were 754,000 bushels compared with 853,000 year. Shipments were somewhat lighter at only 420,000 bushels. ar this week stocks at Kansas City, Duluth and Minneapolis show a decrease of only 13,000 bushels. Canadian marketings were 1,404,- bushels, which is not very large; and pressure on the Winnipeg et seems light, so that prices there do not show any great change. s in the southwest report they are running at about full time, of course grinding lots of wheat. Today, for instance, out of l receipts there were only 15 cars on the tables at Kansas City, ordinary wheat sold at 4 1/2¢ over the December delivery in that et. This being the case we do not anticipate any great weakness, ew pressure is not forthcoming. On the other hand new speculative nd is not increasing and therefore daily fluctuations are difficult gauge, depending somewhat on the character of the orders.

Corn was not able to maintain its early strength, and despite firmness in oats, the close was somewhat lower influenced by the tion of the leading cereal.

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DAILY MARKET LETTER

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Sept. 24, 1934.

Trade in cereal futures at the present time is extremely light, terefore fluctuations are small and meaningless, as comparatively sall transactions affect the price. When we consider the total vlume of trading in wheat, corn, oats, rye and barley, on last Fiday was only 27,000,000 bushels compared with 76,000,000 the year bfore, and last Saturday only 14,500,000 bushels, it tells the wole story.

However, there should be nothing permanently discouraging in tis picture, because we have seen light trading for short periods mny times before, but it very seldom lasted for more than a month o two, probably never for a six-month period, not to speak of the wole season. While undoubtedly the heavier margins now required hve a tendency to restrict speculation, whenever a pronounced market tend is apparent, we believe the volume of trade will increase aain, as it had always done in the past. In the meantime, of curse, those who have assumed a position might require great patence, which they seem to possess, as the total of open trades does nt fluctuate much from day to day, and there is no general desire t liquidate holdings previously acquired. This in spite of the fct that the foreign situation of late has been rather discouragig. Prices at Liverpool and Buenos Aires have declined very sharpl recently, and today Liverpool again closed about 1¢ a bushel lwer than on Saturday. This is all due to continued heavy shipnts from the Argentine. Of the world's shipments amounting to 9367,000 bushels this past week, almost one-third, or 3,201,000 bshels came from the Argentine, which is about equal to those of Nrth America. This means Canada exclusively, as the United States i clearing next to nothing. However, it is rather disappointing tat this week's total world's clearances are almost 2,700,000 bus. saller than in 1933, while so far almost weekly they had been lrger than during the previous season and the excess of shipments, wich had amounted to about 8,500,000 bus. has been greatly reduced nw and is only about 6,000,000 more than it was then. The one ray o sunshine in this foreign situation is the fact that the Black Sea hs almost disappeared as an exporter this season, shipping only 00,000 bus. this week compared with 2,376,000 in 1933. It had ben our experience that both Russia and the Danubian countries do nt export much during the twelve months unless they start early. The Uited States is similarly situated and when we were an exporting ntion, the bulk of our sales were made during the first four or five mnths of the crop year.

There was no particular stimulant to encourage new engagements tday. Premiums were well maintained but did not gain any further. Nw receipts were sufficient to take care of the current demand and a the close the market showed a decline of 5/8¢ per bushel. Millers i the southwest generally report a very active flour business, but iasmuch as there are no carrying charges for wheat the tendency is fr them to use accumulated stocks; and not every lot of flour which i sold now is immediately replaced with new purchases of wheat. As w are nine months away from another crop, and if farmers' sales cntinue light, the larger millers' demand, whenever it does appear aain, will be all the more effective as far as prices are concerned.

Primary receipts of wheat were only 692,000 bushels, which is vry light for a Monday and compares with 827,000 a year ago. If, nvertheless, the visible supply showed an increase of 873,000 bus vrsus 323,000 in 1933, it was in our opinion largely a matter of acident. The net increase was chiefly due to larger stocks at Dluth, which we are convinced will not be stored there for any lngth of time and will go into commercial channels soon.

A very successful speculator said that it takes three qualities t make money in the speculative field, The first and most important ne is patience; the second one is more patience; and the third one s patience again. This may be the case this year as far as wheat s concerned; as one cannot reasonably expect that the effect of the xtremely short crop of wheat following another short crop should ll be actively felt during the first three months.

(over)

9 24 34

Today's primary receipts of corn were only 710,000 bushels against 1,543,000 last year, and as offerings to arrive were also very light, with very few bookings, it looks as though this small movement would be permanent. Should this be the case, the visible supply will soon decrease, whereas it has increased so far right along. This week's increase amounts to 425,000 bushels compared to an increase last year of 850,000 bushels. We still have about 4,000,000 bushels more in sight now than we had then. Primary receipts of corn from November 1 to date were 191,000,000 vs. 211,000,000 on the much larger crop in 1932-33. It is difficult for us to see, with the still further reduced available supplies on such poor yields when the new crop commences to move on November 1, where there could possibly be any large movement to primary markets.

At the close the corn market showed a decline of 5/8-cent per bushel.

Investments as a protection against inflation have been put on the shelf at present. The fact that even gold stock prices are hesitating shows that for the moment hopes and fears in this direction do not exist. This seems to be the correct view to take, because most economists agree that if there is to be inflation or more devaluation of the dollar, it is temporarily delayed, possibly for a year or longer, and it is very seldom that speculators anticipate that far ahead.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

September 25, 1934

The continued weakness abroad could no longer be ignored
our opening today, in spite of our strong domestic situation.
verpool October wheat closed at 75 1/2¢, a tremendous discount
der ours. The situation is not quite as bad when it is consider-
that their May wheat is selling 10 3/4¢ higher, while our May and
ptember wheat are selling at practically the same price. Con-
quently, as we are not on an importing basis now, the danger of
r prices being disturbed through heavy importations later is
owing less as time advances. In fact, the fear of importations
st be greatly exaggerated. The total imports of Canadian wheat
the United States bonded mills from July 1 to September 15 were
ly 2,162,000 bushels, which was in fact smaller than that of
st season, when at a similar period we imported 2,484,000 bush-
s. The actual amount on which duty has been paid so far is
ly 20,000 bushels. Of course it is still possible that further
ties will yet be paid on the bonded wheat, but the probability
that the largest share will be ground into flour and exported.

The one market which ought to be affected more than any other
account of foreign weakness is Canada, because of its large ex-
rtable surplus which must be disposed of. Notwithstanding, prices
ere are holding comparatively firm. This can only be explained
the fact that the head of the government agencies in control of
e Canadian wheat situation feels that weakness abroad is only
mporary and that sooner or later Argentina alone, together with
e smaller yields in Australia, cannot supply the world with its
eds and that Canada will be called upon to furnish a larger share
the import requirements, thus creating a better market later.
e futures look especially high compared with Liverpool when it
considered that Canadian dollars are at a premium of 3½ to 3¾
r cent over ours. This in itself is a most extraordinary situa-
on and throws another uncertain element into the scale when com-
ring values. As a matter of fact, Winnipeg December wheat,
oted around 83¢ in Canadian dollars, is selling equal to 86¢ in
ited States money; and the May future is selling about 5¢ higher.
us the actual difference between these two markets on May wheat
only 12¢, and with the 42¢ per bushel duty importations are not
ry likely to be realized. Nevertheless, while these conditions
st, and until our large stocks are gradually becoming absorbed
rough consumption, the sentimental effect of world wheat markets
nnot remain without its influence.

It is to be said, on the other side, that the Argentine crop
ich evidently must be very promising at the present time, has still
go through many vicissitudes, and should the usual crop scares
ne later sentiment would immediately change. Meanwhile Broomhall
ports that the orient has entered the market for Australian wheat,
ssibly due to the poor rice harvest gathered this year in China;
d so far since August 1 the non-European countries have taken
out 3,000,000 bushels more than last year.

The domestic situation remains extremely healthy and there is
sign of premiums in cash wheat receding. In fact, September
eat, which soon expires, is still selling at a good premium over
cember. This could not possibly happen were there any pressure
atsoever of cash wheat, and shows plainly that the elevator owners
e willing to carry the wheat and lose storage charges rather than
spose of it at present values.

over

Primary receipts of wheat were small again today, 678,000 bus. compared with 718,000 last year, but these figures by no means show fully the lightness of the farmers' movement. The chief receipts are at Duluth and constitute a movement partly from Minneapolis for shipment by lake to the east. That market in turn buys much hard wheat from Kansas City; and the receipts at Chicago, also coming from terminal points in the west for shipment to Buffalo, therefore represent a duplication.

Toward the close, in sympathy with the very strong stock market, there was an improved feeling, and the finish was 7/8¢ per bushel higher than yesterday.

Corn was relatively firm all during the session. It declined somewhat at first but gained rapidly when the sister cereal showed firmness. Receipts were only 527,000 bushels compared with 989,000 last year. The close showed an advance of 1 5/8¢ per bushel.

Oats and rye closely followed the fluctuations of the other grains and finally improved in value.

The great strength which has developed in the stock market, if continued, should have a marked influence on grain prices throug improving sentiment. It should not be forgotten that nothing is likely to occur in a monetary way but that its influence would be strengthening, and the monetary and financial policies of the government are still tending to raise the general price level.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO Sept. 26, 1934.

After several days of discouraging news from abroad, cables day showed a firmer undertone. If we size up the foreign situaon correctly, there is no reason for the extreme pessimism which d prevailed. This is also confirmed by private cables which we ceived indicating that there was a great deal of distressed selling Liverpool futures on account of the continued declines, and not cause of any changed situation in the estimate of supplies. Rerts from Australia continue to remain unfavorable, and production expected to fall much below the 1933 crop. In the Argentine ospects on the whole remain favorable, but the acreage is smaller an last year when a bumper crop was raised, with an average yield r acre of 14 1/2 bushels. This would compare with average yields r acre in --

1932	1931	1930	1929	1928
11.9	13.1	10.9	7.9	15.3

nsequently, it is not likely that such high yields will be repeated, they were exceptional, and much can still happen to the crop in e next few months. Russian shipments continue to be small, and r 8 weeks, starting August 1st to date they were only 1,064,000 shels whereas last year they were 4,824,000; two years ago, 384,000 bushels; and 38,000,000 bushels three years ago. The only her country which furnishes large amounts for export is Canada, ere the crop is estimated at about 275,000,000 bushels, of which ,000,000 bushels are needed in the interior and for seed and feed; we may expect farmers to move only about 220,000,000 bushels. Up September 22nd farmers' deliveries had already amounted to over ,000,000 bushels, or more than one-third what we may expect for the ole season, and 23,000,000 bushels more than a year ago when the op was much the same. Deliveries are falling off considerably, so at situation is also strengthening.

While this may all be interesting and probably sentimentally fluencing our prices, yet it is generally recognized that inasmuch our price level is already so much above the world's that domestic ents are far more important as a price-making factor.

There was encouragement again through extremely light receipts d a good milling demand in the southwest. Total primary receipts re 604,000 bushels, of which the spring wheat markets- Minneapolis d Duluth- received 394,000 bushels. Inasmuch as the small spring eat crop would not justify such a heavy movement it is quite clear at these receipts can only be accounted for through duplications, millers need to obtain their supplies from other sections right ong, particularly from Kansas City and Omaha. The soft winter wheat rkets -- Detroit, Indianapolis, St. Joseph, and St. Louis together ceived only 28,000 bushels, showing conclusively that this movement about over. Stocks at Kansas City, Duluth and Minneapolis so far is week show an increase of 329,000 bushels.

The great strength in September wheat, which expires in a few ys, causes shorts and hedgers in December wheat a great deal of conrn. It is naturally reasoned that if the elevators do not make deveries with September wheat at a premium over the December why shoul ey assume a different position on December wheat later on. e fact that the stock of #2 red wheat in Chicago in public elevators only 2,538,000 bushels adds to the apprehension. At one time cember and May wheat narrowed to 1/8¢ per bushel, which was the allest difference so far on the crop. However, this situation may ange if shipments from the Pacific to the east continue, a they d been delayed a great deal on account of the strike, but are now adually appearing at various centers which ordinarily draw from icago. The wheat seems to be of desirable quality and high in proin.

After many minor fluctuations there was finally a decline of 3¢ per bushel compared with yesterday.

(over)

The dollar exchange at times was very strong, or rather Sterling exchange weak. As a matter of fact, with Sterling exchange around $4.97 the depreciation in England is within 2% the same as ours. Canadian exchange remains firm at about 3 1/4 % premium, which is very significant. If gold could be sold in Canada at the world's price, which is practically the same everywhere now -- $35.00 per ounce -- this could not occur, as sufficient gold would be shipped from this country to Canada to make this extra profit. However, Canada still refuses to pay this price for the imported metal, or for the old currency which may still be in the hands of Canadians, as same has not been called in as in this country. If supreme confidence in our currency would be restored, and if the fears were dissipated that there might not be further devaluation, of course Americans owning Canadian securities would also have a way of taking advantage of this premium in the Canadian dollar and repatriate their money. Since this is not being done on a large scale, it looks like a flight of capital to Canada; and as exchange fluctuations influence Winnipeg wheat prices, it is very difficult to conclude what the parity should be between the two markets.

Corn trade was comparatively light and fluctuated more or less in sympathy with wheat. Receipts keep light, being only 344,000 bushels versus 1,295,000 in 1933, and just the reverse of what they were about a month ago. At the close prices declined 5/8¢ per bushel for the day.

Rye was independently weak on account of further unloading here coming from Buffalo, possibly originating abroad; and as long as these importations continue they are a great damper to speculative bullish sentiment.

Oats had a small decline in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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ODITY EXCHANGE INC.

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Sept. 27, 1934.

When Broomhall reported today that there was not a bushel of at or flour shipped this week from the Black sea or Russia, com- ed with clearances last year of 1,040,000 bushels, it forces one's ention to the thought of how much the world's situation, as far wheat is concerned, has changed since the war. This particularly when cognizance is taken that now is the period when Black sea pments usually are the heaviest, before navigation closes two ths hence. Previous to 1914 the United States, the Balkan coun- es, as well as Russia, practically supplied the importing world h its greatest needs. Argentina, Australia and Canada were only ondary contributors. This tendency was so pronounced that many es during war scares, the fear that the Dardanelles might be closed sufficient to boost wheat prices 5 or 10 cents a bushel. The uation was such that the world could not get along without any sian exportations. Now that country on account of its inability bad transportation system, hardly raises enough for its own popu- ion. The United States with its curtailment program, etc. is vir- lly out of the export column. Instead, Canada has taken the lead, h Argentina its close second, and Australia as a minor contributor. refore, any short crop in either of these three countries would ect the European price level very considerably. Canada has raised ittle below her average crop this year; Australia a poor one; but entina so far promises well, but it is too early yet to be sure ut the ultimate outcome; and the weather during the next two ths will determine the final results.

A further slight advance in Liverpool under the circumstances ay was not surprising, and any encouragement from that quarter ld be very helpful here in restoring confidence regarding future ues, especially so as the domestic situation continues to remain y strong.

Total primary receipts today were only 578,000 bushels versus ,000 last year. To indicate by comparison with other years how ll these receipts are for this period of the year, we wish to nt out that during the last fourteen years from Oct. 1st to May 1st, an average, primary receipts were about 980,000 bushels each busi- s day. The natural tendency always is a steady decrease from now Whenever they are light at the beginning of October, they will extremely so at the end of the crop year, as farmers' supplies are inishing. During that period there were years when they averaged high as 1,400,000 bushels daily; and with the exception of last r, which also was a short crop, when they decreased to 422,000 bus., erwise they were never less than 600,000 bushels a day.

The market, however, does not respond easily to bull news, ow- to the extremely light trade. Yesterday, for instance, the open des in wheat showed only an increase of 27,000 bushels, indicating clusively that there is no tendency for accumulations at the pre- t time.

The milling demand keeps up quite satisfactory, with premiums l maintained, particularly in the southwest. Stocks at Kansas City. tinue to decrease, amounting so far this week to 315,000 bushels, ch, however, is more than offset by an increase of stocks at Duluth Minneapolis; so that the net increase to date for the week is ,000 bushels. We expect a decrease in Buffalo stocks, where con- ption is going on right along; with very few charters made from uth this week, we would not be surprised to see a moderate decrease the visible supply on Monday.

At the close the market was 3/8¢ per bushel higher.

Corn receipts were also very light, being only 502,000 bushels pared with 626,000 last year; and premiums are very strong, two low corn bringing 3 cents over the December price. Offerings from country are extremely light. The eastern demand is also very in- nificant, consumers there being well supplied for the time being; sooner or later their stocks will have to be replenished.

Oats closed a trifle lower and rye was practically unchanged. de in both these cereals was quite insignificant.

Sterling exchange continues to be weak, but as nobody looks for- d to any change in the monetary program, at least until the election over, not much attention is being paid to the smaller variations the pound sterling. Furthermore, it might be assumed that this is time of the year when dollar exchange is wanted on a larger scale account of our heavier exports of cotton and other agricultural ducts, which is not entirely offset through our large purchases of ver.

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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

September 28, 1934

Broomhall tabulated this year's wheat production in Europ-
en countries, including Russia, as 373,000,000 bushels smaller
an last year's. When it is considered that there was quite an
en balance between quantities raised and quantities consumed a
ar ago, some thought must be given to the reduction, which is
und to disclose smaller carry-overs at the end of this season.
course one cannot presuppose that stocks will be cut down by
e entire amount of deficiency, because Russia, for instance,
ich is included, produced a crop 100,000,000 bushels smaller
an in 1933. If we eliminate that country due to the fact that
s imports will not make up for the deficiency, it will still
ave a loss of about 273,000,000 bushels.

The latter is comprised chiefly of the three principal con-
sming countries where there is the largest population in Europe:
mely, Germany, France, and Italy. Here alone crops were 160,000-
00 bushels less this year than in 1933. Owing to France's carry-
er, she will still be in a position where importations will not
necessary. Germany and Italy may partially make up their short-
es through great economies, as their financial status will not
rmit them to buy large quantities abroad, although later in the
ason they may be compelled to make some purchases. Nevertheless,
e European carry-over will be immeasurably smaller next July, in
ich case we might be nearer in line for exports when the new
ason starts.

In this resume, consideration was not given to North Amer-
ia, which country we also know had shorter crops than in 1933;
nd takes no cognizance of the Orient whose requirements will prob-
ly be greater on account of the short rice crop in China. Justly,
mention was made of the Argentine because the final yields will
main an unknown factor for some time; but with a smaller acreage
nd almost record yields per acre in 1933, we can only assume that
e results will be poorer. The other Southern Hemisphere country,
stralia, is far enough advanced to make it quite certain that her
op will be much smaller than last season.

Traders at Liverpool appreciate this changed situation, and
bles again were a little higher than due. While there will be no
rld scarcity in wheat supplies, on the other hand, the superabund-
nce seems to be over, and with it the great depression abroad. In
is country, the greater precipitation in the wheat belt, together
ith the discouragement because prices have not advanced any during
e last thirty days, brings about scattered liquidation from time
time. On the other hand, premiums are keeping up and milling
siness is fairly good and there is sufficient buying through re-
oval of hedges to offset sales of tired holders, particularly as
ong as no new pressure in the way of farmers' sales exists.

If any one had the time to look up previous records of
rimary receipts for comparison, he probably would discover that
oday's receipts of 489,000 bushels might have been the lowest for
his period of the year. In fact, we doubt whether there were many
ys during the last ten years when the movement was as small as
his, any one day. When it is further considered that this is only
he third month since the beginning of harvest, we must come to the
onclusion that replenishment of stocks during the next nine months
s most unlikely and that from now on the outgo almost daily should
e larger than new arrivals and thus bring about a much improved
tatistical situation.

(over)

There is a lull in monetary matters at the present time, and exchange fluctuations are only small. However, there is no reason for anyone to change his opinion of what the final outcome will be, provided it was based on the assumption that continual excessive expenditures over income will eventually lead either to higher taxes, devaluation of currency, or credit inflation; all of which ultimately would mean higher prices all round. The deficit for the past three months is somewhat over $500 millions, but it would have been nearer to $700 millions had it not been for repayments to the Reconstruction Finance Corp. which might not be repeated, and about $50 millions seigniorage on silver.

The hopes which our President held out some time ago that the budget would be balanced on July 1st, 1935, will not be realize under present conditions, and as time goes on the question will be-- How about the 1936 budget? That we cannot continue this way forever is quite obvious. The interest on the deficit during the past two-years' adminstration alone will probably amount to $250,000,000, which will be an additional burden for years to come and possibly for generations. If interest rates on government loans should be advanced the burden would become all the greater.

At the close the market showed a decline of about 1/4 cent per bushel. Stocks at Kansas City, Duluth, and Minneapolis so far this week show an increase of 218,000 bushels, but we expect decreases in various other places, particularly at Buffalo. Therefore look for a decrease in the visible supply on Monday.

Corn made a comparatively better showing than wheat, and primary receipts were only 406,000 bushels compared with 801,000 last year. We believe that it will be difficult to have a large movement to terminals at any time on the crop because of short yields, and therefore consider that this cereal has great merit.

Rye was extremely weak, for no particular reason. Small liquidating orders depressed this cereal, and it was somewhat difficult without speculative support for recoveries to take place.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

September 29, 1934

World shipments of wheat and flour on Monday will again be larger
n the corresponding week last year, being estimated at 11,000,000
hels compared with 9,680,000 bushels the previous season. The
ess all comes from the southern hemisphere, which cleared 6,674,000
hels compared with 3,302,000 in 1933. This clearly shows that
ada is not getting its share at the present time, but it is not
ely that these heavy clearances from the southern hemisphere, par-
ularly Australia, can keep up.

The government makes the actual clearances of United States
at and flour for the two months of July and August 5,844,000 bush-
compared with 2,981,000 in 1933. It is quite obvious that only
infinitesimal part could have originated in the United States,
the great bulk of these clearances must be United States flour
e from imported Canadian wheat, which again leads to the conclu-
n that a large quantity of the receipts which swell the total at
uth, compared to the size of the crop, must be Canadian wheat
eived only in transit. However, it is reported that as far as
um wheat is concerned the situation is different and that duty
been paid up to September 27 on 2,313,000 bushels.

Next Monday the first official trades will be made in July
at. It is the general consensus that this future will open
und $1 per bushel, a little more or less. Inasmuch as this month
resents new crop delivery, it is very significant not only to the
in trade but to any one whose business depends upon farmers' pur-
sing power what this price, if it could be sustained, would mean
the farmer. Of course nobody knows what the final size of the
p will be, but as the opening price isso much higher than in re-
t years it proves conclusively that the trade has positively come
the conclusion that the depression, as far as grain prices are
cerned, is over; and of course a greater prosperity might be
mulated all around. With wheat selling at this price, corn, oats,
, and barley all would be influenced. With animals also doing so
h better, there is at least one ray of sunshine in the thought
t the outlook for the farming population has definitely turned
the better.

The feature of today's market again was weakness abroad. The
rp decline in Argentina yesterday which carried October wheat
n to 55 7/8¢ had a very depressing effect in Liverpool, although
e recovery was made before the close. This influenced our open-
, together with the fact that further rains were reported both in
southwest and through the soft winter wheat belt, making up some
the moisture deficiency that has been with us for many months.
one time there was a fair rally in the market, but toward the last
uidation of September contracts overcame other factors and the
se was about 3/4¢ lower.

We attach no particular significance to the weakness of the
iring contract except that a few longs overstayed their market
with the rather small trade buyers could not be found quickly
ugh during the last half hour of the session. Cash wheat remains
ong. We are advised that elevators at Hutchinson sold about
,000 bushels of wheat the last day or two at about 6¢ over Kansas
y December, and we do not think that any kind of #2 hard wheat can
bought in the interior of Kansas for less than 5½@6¢ premium.

Primary wheat receipts were 584,000 bushels compared with
,000 last year. Shipments of wheat were 952,000 bushels. Stocks
Kansas City, Duluth, and Minneapolis show a net decrease of
,000 bushels.

Corn was affected by the rather abrupt decline in wheat; in
t, the latter affected all cereals. We believe that on Monday
crop experts might estimate the corn crop at slightly under last
th's figure, as wet weather and insect damage are claimed to have
en further toll from the crop. At any rate, the crop is an ex-
dingly small one, and we see no particular reason for anticipat-
declines. On the other hand, advances could easily take place
n the large visible at terminals starts to decrease.

UHLMANN GRAIN CO.

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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

October 1, 1934

The President's radio address last night was by far the out-
nding factor influencing grain prices today. Sufficient con-
ence was not restored to the investor, as was clearly shown in
ining prices of Wall street securities. The absence of comment
erning any intention to balance the budget in the near future,
the stress laid upon the carrying out of his plans and ideals,
ding to continuation of steadily increasing expenses, cannot be
strued as other than inflationary in the long run. This on the
umption that the policies will be pursued regardless of the status
he treasury's finances. The immediate effect for business pro-
s was most discouraging.

The United States Treasury reports that during the first three
ths there was spent approximately

For emergency relief and public works	$485,000,000
For federal emergency relief administration	364,000,000
For emergency conservation work	96,000,000
All extraordinary outlays	$945,000,000

Strange as it may seem, in spite of this the dollar was
y strong compared with European currencies, and sterling was
ted at $4.92 3/4, only a little more than 1 per cent above pari-
We must assume, therefore, that this was due more to a further
kening of monetary conditions abroad than to any strength here.
s is the season when Europe is buying large amounts of commodi-
s, particularly cotton and tobacco, and is therefore compelled
buy and accumulate dollars right along; and in addition to these
uirements needs exchange for interest payments, as we are still
arge creditor nation.

The bearish feeling which permeated the trade could not be
ken off during the day notwithstanding the otherwise rather con-
uctive news regarding both wheat and corn. World's grain ex-
ts were about 1,500,000 bushels larger than last year, confirm-
the belief that the world needs larger import supplies this
son. The premiums continue strong everywhere, particularly in
southwest where it is difficult to buy cash wheat and easy to
l it. The larger mills have to go to terminal markets, finding
impossible to fill their needs by purchase in the country due
extremely light farmers' deliveries.

The visible supply showed a decrease of 699,000 bushels versus
,000 increase last year. After this period last year we had the
st decreases in the visible; and if they reach anywhere near
same proportions this year as last the visible supply would de-
ne to 38,000,000 bushels. It is, however, to be expected, on
ount of the shorter crop and the smaller carry-over, that de-
ases will be much greater; consequently at the end of the season
are looking forward to very small supplies at terminal points.
s naturally means continued covering of hedges, which in itself
nt to make the market very tight unless further shocks should
all it.

Primary receipts were quite large at 1,114,000 bushels compared with 915,000 the previous season; but as there is so much duplication going on they really do not give a clear idea of the actual picture. The weakness continued to the end, and at the close the market showed a decline of 2 3/4¢ per bushel. The Winnipeg market was practically steady all during the session, declining only 1/4-cent a bushel. Evidently Canadian government agencies are sustaining prices by purchases, and therefore importations are now entirely out of the question. With the duty of 42¢ per bushel and other expenses, wheat at other centers would have to sell very low to enable it to be brought to this country; so a reaction from this decline, which came about chiefly through sentiment, is not at all unlikely.

The average of today's private estimates on the coming corn crop was ~~1,446~~ 1418,000,000 bushels, approximately ~~40~~ 67,000,000 bushels smaller than the last government estimate, about 700,000,000 bushels less than the final results of 1933, and 1,070,000,000 bushels less than the average from 1927 to 1931. Such a prospect ordinarily would have set the market on fire, were speculation in anything like the volume it had during more prosperous times and before the average American citizen had lost his optimism. We believe, however, that it will be but a question of time until these actualities come into play and bring about a higher level of prices; particularly as the carry-over also will be infinitesimally small. The AAA reports that whereas at one time it had made advances on 270,000,000 bushels or more, these loans have all been repaid with the exception of those on about 100,000,000 bushels of sealed corn. At a continuation of the rate at which this corn has been disposed of there will probably be very little left when the new crop moves.

Primary receipts of corn were 1,117,000 bushels compared with 1,174,000 last year, but the visible supply for the first time in a long while showed a decline of 374,000 bushels compared with an increase last year of 1,042,000 bushels. While corn was quite strong on account of the very bullish statistics for a while, it could not withstand the weakness in wheat and finally closed 1 cent per bushel lower.

Oats also sympathized with the sister cereals, and rye was comparatively the weakest, being a narrow market. On this break new importations are most unlikely, and a moderate recovery at least is quite possible.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

Oct. 2, 1934.

Some time this month five years ago with the debacle in ck prices in Wall-Street and the panic which followed, the de- ssion started. Since then there were occasional spurts of encour- nent and improvement in business, but they were repeatedly fol- ed by setbacks, so that at the present time normal speculation, h as prevailed prior to that period, does not function as well as lid before. It is quite natural that with the many disappoint- ts fears arose easily whenever any unforeseen event temporarily ressed values. To this state of mind must be attributed the pre- t decline in cereal prices. At the close of the market August 9, open interest in wheat was practically 166,000,000 bushels, which the maximum; this has gradually been reduced to 145,000,000 bus. to yesterday-- a decline of approximately 21,000,000 bushels. This ns that this quantity which speculators and investors had been ding for higher prices had to be absorbed by new-comers or by lers. We are inclined to think that the greatest amount was taken r by the consuming interests, which certainly was a difficult task. ever, great as their absorption was, it was not sufficiently large hold up prices.

It is well to bear in mind that the inherent statistical situa- n has not changed. Had we come to the conclusion that the crop been underestimated, that more wheat was available, or for one son or another consumption had decreased, the picture would be ferent; but as the decline was brought about by liquidation we can see a situation where speculation will again enter the market and ng about a reversal. This particularly so, because it has to be ne in mind right along that this country has at the present time, will have all through the season at least 150,000,000 bushels less at than it had in 1933. This is caused by a shortage in the crop, nothing can change that situation until the next harvest comes on market. In the meantime, there will be very little, if any, pres- e from farmers' sales.

Today's primary receipts were only 483,000 bushels compared n 758,000 a year ago. Shipments were larger than the receipts, bein ,000 bushels; and if to this amount is added the consumption at ious terminal markets it clearly shows that the pressure from now will be on a continually reduced scale. Stocks at Kansas City, ith and Minneapolis this week started with a decrease of 58,000 nels since yesterday's visible supply figures came out. The as- ption is that there will be another decrease this week, and that s will continue more or less until the end of the crop season.

The chief influences today were the great weakness shown abroad, rpool being about 3 cents per bushel lower, and the total debacle one time of Winnipeg's futures prices. The latter market held ady yesterday in spite of a decline here of about 3¢ per bushel, the erence being that government agencies stepped in and purchased all wheat which was offered. Hope was held that this would continue, it seems they must have changed their mind in the meantime. There e no supporting orders when the Winnipeg market opened, and it de- ned at one time 5 cents a bushel from which, however, there was a erate recovery and the close showed lowering of values of only 3 1/2¢ bushel compared with yesterday. There is supposed to be a meet- in Winnipeg today discussing the problem of the functioning of the hange; and the fears that further restrictions might be invoked had a depressing influence.

(OVER)

Primary receipts were quite large at 1,114,000 bushels compared with 915,000 the previous season; but as there is so much duplication going on they really do not give a clear idea of the actual picture. The weakness continued to the end, and at the close the market showed a decline of 2 3/4¢ per bushel. The Winnipeg market was practically steady all during the session, declining only 1/4-cent a bushel. Evidently Canadian government agencies are sustaining prices by purchases, and therefore importations are now entirely out of the question. With the duty of 42¢ per bushel and other expenses, wheat at other centers would have to sell very low to enable it to be brought to this country; so a reaction from this decline, which came about chiefly through sentiment, is not at all unlikely.

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will have all through the season at least 150,000,000 bushels less
t than it had in 1933. This is caused by a shortage in the crop,
nothing can change that situation until the next harvest comes on
market. In the meantime, there will be very little, if any, pres-
from farmers' sales.

Today's primary receipts were only 483,000 bushels compared
758,000 a year ago. Shipments were larger than the receipts, bein
000 bushels; and if to this amount is added the consumption at
ous terminal markets it clearly shows that the pressure from now
ill be on a continually reduced scale. Stocks at Kansas City,
th and Minneapolis this week started with a decrease of 58,000
els since yesterday's visible supply figures came out. The as-
tion is that there will be another decrease this week, and that
will continue more or less until the end of the crop season.

The chief influences today were the great weakness shown abroad,
rpool being about 3 cents per bushel lower, and the total debacle
ne time of Winnipeg's futures prices. The latter market held
dy yesterday in spite of a decline here of about 3¢ per bushel, the
rence being that government agencies stepped in and purchased all
wheat which was offered. Hope was held that this would continue,
it seems they must have changed their mind in the meantime. There
no supporting orders when the Winnipeg market opened, and it de-
ed at one time 5 cents a bushel from which, however, there was a
rate recovery and the close showed lowering of values of only 3 1/2¢
bushel compared with yesterday. There is supposed to be a meet-
in Winnipeg today discussing the problem of the functioning of the
ange; and the fears that further restrictions might be invoked
s had a depressing influence.

(OVER)

Millers were again good buyers both here and in the southwest, but not in sufficient quantities to prevent a further decline. At the finish wheat was 1¢ per bushel under yesterday's close.

Corn held comparatively firm and at times was even higher than yesterday in spite of the weakness in wheat, but finally it could not resist sympathizing with the sister cereal. Receipts are much the same as last year: 734,000 bushels today versus 747,000 similar week in 1933. We think the shortage of the new crop will be felt more in another month when the old reserves will probably be exhausted, and when the whole demand will concentrate on the movement of the new harvest.

Oats kept comparatively strong today, and rye had sharp fluctuations and was largely influenced by the other cereals.

There is a lull just now in inflation fears. However, the subject should not be laid aside. If grain prices should continue to decline it would affect the whole business structure; and unless there is an improvement the next Congress will be heard from with all kinds of inflation measures. Furthermore, it is reported from Washington that further requests will be made for larger appropriations for public works, all of which shows that the tendency is still in the direction of larger expenditures which, with no increased income, is bound to tend toward inflation.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Oct. 3, 1934.

The wheat market has become very unsettled, owing to the sud-
ly disturbed feeling on part of the representatives of various
ernments who have been trying to sustain artificial values for
ars. The immediate cause was the determination of the Argentine
ernment to get rid of its old wheat before the new crop is har-
sted. The French government, which had been holding prices up for
ars, and consequently accumulating stocks, all of a sudden decided
dump its surplus. Since the French government took over the con-
ol of wheat prices in France, there has been no trading in futures.
ot prices for the new crop are fixed at 87 francs, equal at present
change to $1.57 1/2. France is selling a good deal of wheat now
England and other foreign markets in competition with Canada and
gentina. The only outlet in large quantities is the United Kingdom;
d this pressure from unexpected sources naturally depressed the
verpool market, where prices had fallen during the last two days
out 5 cents a bushel, and their October wheat closed today at 71
nts, American money. French wheat has to pay a duty and with other
penses this would not probably less than 65 cents. Consequently,
e government would take a loss of over 90 cents a bushel in order
dispose of the burdensome surplus accumulated in previous seasons.

This naturally had its repercussions in Canada where a similar
licy had been pursued for a long period, and a surplus had been ac-
mulated equal to more than twenty-one months consumption. It can
ly be disposed of by selling it abroad. Canadian government agen-
es had to buy enormous quantities the day before yesterday to sus-
n the market, and fears were expressed that they will no longer be
a position, or at least not inclined, to add to their burdens.
wever, against these rumors we received first-hand information that
e idea of giving up stabilization prices had not been abandoned.
erefore, it is possible that the big break at Winnipeg yesterday of
/2 cents per bushel, followed by another good decline today, will
ing about saner views; and at this lower level no further dumping
l be attempted.

The situation is really more hopeful than it was in other years
en the governments were willing to make moderate sacrifices rather
an add to the distress. Last year's Canadian farmers' deliveries
the twelve months were 226,000,000 bushels, and assuming that with
similar crop they would be the same this year, there would be only
7,000,000 bushels left for marketing the next ten months, since
,000,000 bushels have already been absorbed. Sanford Evans also re-
rts that since August 1, while Europe imported 3,000,000 bushels
ss wheat than in 1933, ex-Europe took 7,000,000 bushels more, pro-
bly due to the poor rice crop in China, and also to the higher prices
silver. However, as the European crops are so much smaller than
ey were in 1933, after the first crop movement is over, no doubt the
mand will reasonably improve. Our market naturally was also in-
uenced, although traders are becoming more and more imbued with the
ea that we are on a strictly domestic basis. The latest report of
e United States department of agriculture, while admitting a small
crease in per capita consumption, still estimates same as equal to
3 barrels of flour per inhabitant. This would mean about four bush-

s per head, or-	500,000,000	bushels.	Add to this
about	80,000,000	"	for seed and
	70,000,000	"	for animal feed
would make a total of	650,000,000	"	This, with an
estimated wheat crop of	494,000,000	"	and
	290,000,000	"	carryover
making total supplies	784,000,000		

ld leave only a carryover this year of 134,000,000 bushels, which
ld be slightly larger than the five-year average before 1929,
t our population has increased considerably since then.

Little attention was paid to statistics, but they were of no
eat significance anyhow. Primary receipts were about 705,000 bus--
ch the same as last year when they were 726,000 bushels. Stocks
Kansas City, Duluth and Minneapolis so far this week show a small
crease of 26,000 bushels. The wheat demand keeps up as well as
e premiums.

(OVER)

With the many uncertainties existing it was plain that our market would have to suffer with the others; and at the close wheat prices were 3¢ per bushel lower than yesterday. The pessimistic feeling spread to all other pits; and even corn, which held so firm of late, had to sympathise, but we believe this cereal will recover quicker than the others. Primary receipts were only 510,000 bushels versus 1,128,000 in 1933.

Oats and rye shared the same fate as the other cereals, and closed considerably lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
GO BOARD OF TRADE
RK PRODUCE EXCHANGE
RK COCOA EXCHANGE
K COFFEE AND SUGAR EX.
ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Oct. 4, 1934.

In this age of economic warfare, almost as many extraneous
nluences must be taken into account in attempting to predict grain
alues, as those pertaining to the cereal situation itself.

To begin with, there is always the currency question. While
old prices in London were a trifle lower today, yet the price is
ractically the highest it has ever been compared with England's
er currency. When Neville Chamberlain, in an address at London,
mits that the exchange and equalization funds have their limita-
ns, it is plain that they might become helpless in the face of a
trong downward pressure. While the inference should not be taken
at a monetary war is beginning between the United States and Great
ritain, yet the constant narrowing of the difference between the
lar and the pound sterling should cause serious thought as to the
come. The fact that France, normally an importer, is dumping
at wherever possible, at a tremendous loss, and that Canada is
ried sufficiently to take under advisement certain measures to
et the situation, is not to be ignored. The chief disturbing fea-
e of all is that buying power is at a low ebb and discouragement
prevalent that any decline in stock values has immediate reper-
sions in the grain market.

Against this pessimistic outlook the strong domestic situa-
in stands out, such as has not been experienced in years. Accord-
n to a summary by General Mills, Inc., based on the activities of
0 per cent of all flour mills of the United States, flour pro-
tion during September totaled 5,730,000 barrels compared with
,91,000 same month last year, an increase equal to about 2,700,000
hels additional consumption of wheat. As our wheat crop is ap-
rximately 160,000,000 bushels less than our normal consumption,
is quite plain that all during this year there will be much less
ssure on the market this season than last, assuming that our con-
ption is the same as it was then. We believe that is likely to
e somewhat larger, particularly for animal feeding, although it is
likely that any wheat will be exported this year, while in 1933,
rough government subsidies, about 30,000,000 bushels were cleared.

The market was largely under the influence today of further
ced liquidation, due to the late declines and the additional mar-
calls which were necessitated. The open interest in wheat had
reased again yesterday 1,315,000 bushels, and is virtually 25,000,-
bushels less than it was on the top, showing quite plainly that
re has been a severe shakeout; but with any encouragement a re-
sal of sentiment could occur very quickly. This particularly so
farmers' deliveries, while already very small, will still de-
ne further. Today all primary markets received only 508,000 bus.,
le shipments were 476,000 bus., leaving very little for con-
ption at the various terminal points. Stocks at Kansas City,
uth and Minneapolis show a decrease of 268,000 bushels, indicat-
a further decrease in the visible supply on Monday.

The foreign markets, which caused heavy depression here yes-
day showed greater strength- Liverpool closing higher and Winnipeg
o displayed firmness during the whole session; and the final
tations were above those of yesterday. After many fluctuations
ere stop orders had to be executed our market showed strength and
close was 1 1/8¢ per bushel higher than yesterday.

Corn and oats followed almost religiously the ups and downs
the wheat market. Corn receipts continue to be light and the crop
ospects are not improving any. We still believe before the end of
season it will become a very scarce article. Primary receipts
re 589,000 bushels compared with 771,000 bushels last year. Oats
ill remain in the strongest position statistically. With a crop
only 500,000,000 bushels there will be needed for seed alone
out 75,000,000 bushels, or quite a large percentage. With all the
rious uses for which oats are needed outside of feed, it is dif-
cult to figure out how all the demands can be supplied later on.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
EW ORK PRODUCE EXCHANGE
NE YORK COCOA EXCHANGE
W RK COFFEE AND SUGAR EX.
CO MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO October 5, 1934

After the close of our session yesterday an address was deliver-
y Mr. Wallace, Secretary of Agriculture, conveying certain ideas
h were construed as very bearish by superficial observers. He ex-
sed the opinion that it would be desirable if our wheat price
d be permitted to decline to the Liverpool level. We have often
the very same thought. There can be no doubt that the founda-
for wheat prices would be still sounder were we on a level with
balance of the world. However, we believe the Secretary had
in mind the future years than the present one, as he fully
gnizes the extraordinary situation at present brought about by the
ght, and the very much reduced supplies. The actions of the
ous government agencies in his department confirm this. It is a
known fact that the government itself imported certain varieties
wheat, such as Durum for distribution, there not being enough avail-
for seed in the United States; also that large amounts of funds
been appropriated for importations of all kinds of feedstuffs ,
h might be used if necessary for wheat.

On more sober thought, therefore, the trade paid more attention
current news, and was willing to take an optimistic view of the near
ure, stimulated by the great strength at Winnipeg, higher premiums
the southwest, and extremely light primary receipts. Today's re-
pts at all primary markets were only 435,000 bushels compared with
,000 in 1933. While we have not searched through our records,
have great doubt whether ever before at this time of the year was
a small movement recorded. We are convinced that in many years
her Duluth or Minneapolis alone received and absorbed such a quan-
y as is represented by the total of all the primary markets today.
pments were larger than receipts, thereby leaving no surplus for
lers at the respective points. Stocks so far this week at Kansas-
y, Duluth and Minneapolis show a net decrease of 483,000 bushels.
s is only the beginning of the fourth month of the crop year, and
at events usually cast their shadows ahead. We believe that
s tendency of extraordinarily small movement and decreasing stocks
terminal points will continue until another wheat crop comes on the
ket. Even then in July both Minneapolis and Duluth probably will
uire large quantities of wheat from the southwest until their own
west makes its appearance.

Liverpool advances only very reluctantly, and closed about 1/4¢
bushel higher, while Canada made great strides forward, leading all
r markets during today's session.

Mr. McFarland, who more or less has authority to handle the Cana-
n wheat crop for the government, is fully conscious that as far as
ort business is concerned he has only one real competitor: namely,
entina; with a somewhat less important one in Australia. Russia
the Black sea countries are practically out of the reckoning, they
ing exported again this week only 376,000 bushels compared with
32,000 a year ago, and this is the season when clearances should
ch their height. Argentina furnished 4,446,000 bushels, and
tralia 1,711,000 bushels, which for the time being makes the im-
ting countries reasonably independent. However, it is not to be
umed that either of these two countries of the Southern Hemisphere
ld average anywhere near such a quota during the year; so Canada
bably will have her day before long and be in a position to reduce
large carryover. Australia, which has both a reduced acreage
a much smaller crop this year per acre, ought not to be a great competitor
Europe; and owing to the poor rice crops in both Egypt and China the
ent will undoubtedly be a good outlet for a much larger quantity
n the previous season.

Of all the markets ours was really the weakest, Minneapolis,
sas City and Winnipeg all showing much more of an improvement than
s, the close being only 1/2¢ a bushel higher than yesterday.

Corn acted very strong all day, but the trade was not large enough
lift prices considerably. The close showed an advance of 1/2¢.
mary receipts were light compared with last year, 787,000 bushels
1,160,000 bushels in 1933.

(OVER)

We believe that oats, of all cereals, are in the strongest statistical position. It is true that pound for pound they are not cheap compared with corn or rye; but owing to the fact that the crop was such a short one, and in addition the visible supply is only 23,000,000 bushels vs. 47,000,000 last year, we believe that sooner or later a scarcity will develop which will enable holders to obtain comparatively better prices. There ought to be more of a difference than ordinarily between a pound of oats and a pound of other cereals which are not quite so scarce.

Rye more or less followed the other grains.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

October 6, 1934

Today was virtually devoid of any news to stimulate the mar-
et. Broomhall reiterates how Argentina and France have, for the
ment, taken away the market from Canada; and that the latter
untry shipped during the month of September 3,000,000 bushels
ess than a year ago, and 9,500,000 bushels less than two years
go, During the past three months, Canada has exported only
50,000,000 bushels of wheat, only slightly less than last season,
hich is at the rate of 200,000,000 bushels a year. Hopes were
reat that exports would be so much larger. However, there is
till a prospect that this may come later. The Balkan states:
amely, Bulgaria, Hungary, Rumania and Czecho Slovakia, only pro-
uced this season 122,000,000 bushels, which is less than in 1933.
onsequently, it is not likely that there will be any exportations
rom the Balkan states, and possibly some importations. Naturally,
he shortage of these crops would not be felt so much at the time,
hen harvest is in progress, but the last half of the year it
ight become an important factor.

It probably will take new incentives to enliven speculation,
nd possibly this might come about if the next government report,
hich is to be issued on the 10th, should show great variance with
igures given out by the private experts. The report also will be
ery important, inasmuch as it gives the estimates of the amount
f corn and oats left in farmers' hands; and the showing should be
articularly bullish, as it will make it very evident that not only
his season's crops were so small, but also the carry-over was much
ess than the previous one, and the total deficiency must become
pparent to everybody.

In the meantime there is no pressure whatever in any of the
ereals from new arrivals. Primary receipts of wheat today were
nly 473,000 bushels versus 715,000 bushels the comparable day last
ear; and even this small showing undoubtedly includes a great
eal of duplication, as a large part of the arrivals at Minneapolis
ust have come from Kansas City. Stocks at Kansas City decreased
or the week, 700,000 bushels. We hardly look for any sizable in-
reases anywhere; therefore conclude that the visible supply next
onday will show another very good decrease. Under these circum-
tances, declines should be only short-lived, and as hedges are
aken out of the market, the statistical position naturally be-
omes that much stronger.

After many minor fluctuations, market showed a small decline
ompared with yesterday of 1/4¢ per bushel.

Corn showed a tendency to weakness at times, the market feel-
ing the heavy liquidation which had taken place of late. The sen-
timent is almost unanimously bullish, but with the very small in-
terest, any good-sized sales at the moment affect the market
dversely. However, anybody taking a position in this cereal must
ook further ahead, because the effect of the short crop could not
ossibly be felt as yet, except sentimentally, as the new corn
oes not start to move until about a month from now. We believe
hen receipts will be extraordinarily small compared with average
years. Primary receipts today were 611,000 bushels compared with
1,195,000 bushels in 1933. At the close the market declined a
ittle over 1¢ per bushel.

Both oats and rye went contrary to the general tendency and
ere very strong, closing higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

Oct. 8, 1934.

Winnipeg is celebrating Thanksgiving Day today and their exchange s closed. With the trade already extremely light, this was severely t, and the turnover was very small. Furthermore there was com- ratively little news to stimulate either new purchases or sales. fact, the short crop in wheat this year is so generally known that reiteration has no effect, unless finally the supply and demand uation makes itself felt. This however has been delayed on account the continued shrinkage in speculation. The open interest has de- ned from the top about 30,000,000 bushels to 135,000,000 bushels, ch enables the hedger to cover his sales at continually declining ces. The visible supply again today decreased 1,705,000 bushels; the total is now 110,000,000 bushels, or approximately 36,000,000 hels less than a year ago. Last year after this period until the rst of July 1934 it decreased 73,000,000 bushels. Should such a decrease take place this year on the first of July, 1935, there ld be only 37,000,000 bushels left; and of course this would neces- ate the taking in of hedges right along, which would create a much onger statistical situation. We are inclined to believe that this r the decrease will be even more rapid; but great patience will be quired with this slow process unless in the meantime speculation es hold. Premiums remain strong, with absolutely no pressure, mers' deliveries are extremely small, and millers are active buyers ly for all new arrivals. Primary receipts were only 752,000 bus. pared with 1,039,000 in 1933.

Liverpool cables were quite strong before our session opened; wing a good advance, which temporarily created a firmer feeling. ever, the advance was lost within 1/4 to 1/2¢ per bushel, which had equally depressing effect on our prices during the day. The close 1¢ per bushel lower than Saturday.for our wheat.

The situation in corn is much the same as in wheat. Receipts light, 923,000 bushels versus 1,608,000 a year ago. The visible pply shows a decrease of 1,333,000 bushels, while last year it in- eased 548,000 bushels. The total now has been reduced so it about als last year's -- only 880,000 bushels more. We expect steady reases in public elevator stocks from now on, as we hardly imagine t with the short crop the new arrivals will be burdensome. The al movement of corn to primary markets from November 1st up to e was about 198,000,000 bushels; and we fail to see how any such ntity could possibly be marketed this year when the two principal tes -- Iowa and Illinois-- have suffered so much from the drought require very large quantities to feed their own animals. The close the corn market showed a decline of 5/8¢ per bushel.

Of all cereals, oats are in the strongest position. The visible pply decreased 803,000 bushels, and is now only 22,000,000 bushels inst 48,000,000 last year, or 26,000,000 bushels less. In the past son the visible supply decreased after this date more than the cks are at the present time. In spite of the small importations think this article will become very scarce finally.

Sterling exchange continues to remain very weak, and English reciation at the present time is only about one per cent less than s. We do not consider this at all serious as yet, but it might ome so if the downward tendency of the world's major exchange should tinue this trend for any length of time.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

Oct. 9, 1934.

The gold price in London showed great strength again today, and vanced to practically a new high -- 142s/9d-- against a normal of shillings. In consequence, sterling exchange reached almost the d par compared with the dollar. However, later there was a recovery d sterling strengthened. Unless sterling exchange should become too pressed so as to interfere with our import and export trade to a rge extent we do not think it will be a market factor as far as ains are concerned. During the session, however, there was other reign news which had a sentimental effect on prices. There was a port from Marseilles that six revolver shots were fired at a royal tomobile, mortally wounding King Alexander, of Jugo Slavia, and reign Minister Barthou of France. The murderer was a political ile of Jugo Slavia. We see nothing in the situation to cause any r scare- unfortunate as the event may be. This also was the general nclusion after the first shock of the event was over; but it is ry easy just now to create a pessimistic feeling and prices de- ined for a while, recovered later and the close showed an advance 3/8¢ per bushel over yesterday.

Liverpool cables have shown great independent strength lately d have gained on us fully a couple of cents.

Domestic news continues to be very bullish; primary receipts re- in light- at 477,000 bushels for today versus 646,000 a year ago. emiums are as strong as ever in the southwest. Stocks at Kansas ty, Duluth and Minneapolis for the first day after the visible sup- y figures came out show a net decrease of 354,000 bushels; and it quite plain that the next visible supply will show another large crease.

Early as it may seem, many reports have come from the south- st that late moisture was absolutely insufficient, that the wheat ant is suffering in many localities, and it looks very much as if might get an early crop scare unless more rainy weather should llow soon. We adversely use the words "crop scare", because real nger, of course, is not in sight as lots of snow in winter time ght repair much of whatever possible damage is in sight at the pre- nt time. However, on the other hand, it would not be good judg- nt to be too optimistic, and assume that next year's crop is al- ady made, because with lack of subsoil moisture for a number of ars, soil condition which has been created might become very serious.

Corn followed the sister cereal more or less, but also showed eat independent strength on account of the light receipts, same ng only 454,000 bushels against 996,000 in 1933. It is also as- med as a matter of course that the government report tomorrow will ve to be a very bullish document, even though the actual figures not be any smaller than those the private experts had prepared us . We presume that the size of the crop together with the quantities d in farmers' hands will show up as a very small total; and undoubt- y a great deal less than had been consumed during the past year. final figures in corn showed an advance of a full cent a bushel.

Of all cereals, oats seem to be in the strongest statistical ition, showing great strength and advancing about 7/8¢ per bushel. re are hardly any oats left in public elevators, and those in vate ones can be marketed to much better advantage than to attempt make delivery on future contracts. Receipts were only five cars, ch is nowhere near enough to supply our local industries, who in er to keep all their plants going will have to reach out as far t as Idaho, and who have to make importations from Canada and entina to fill their wants. It is quite certain there never will any accumulations on this crop.

Rye was also firm and higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
'ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
IMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO

Oct. 10, 1934.

Today's action of the market is a clear indication of the great ctor sentiment plays in shaping values, for a time at least, partic- arly when the foundation is sound. The statement by Mr. W. R. arst, forecasting genuine recovery as result of encouragement to siness, came as a very pleasant surprise after he spent the night the White House as a guest of President Roosevelt. In addition the foregoing, the administration volunteered the information that is still seeking a better price level, where it was rather expect- that, on account of the higher cost of living, efforts would be de through importations and otherwise to prevent any further ad- nce in grain prices. This caused a complete reversal of opinions eviously formed; and at the close of the market wheat was 2 3/4¢ r bushel higher than yesterday. This alone, of course, would not ve made this possible were it not for the fact that underlying con- itions are favorable for a great improvement from existing values.

Today's primary receipts were only 407,000 bushels compared th 581,000 bushels last year. We do not think there were ever such all arrivals at the same points during the last twenty-five or fty years. Shipments were actually larger, being 478,000 bushels. ocks at Kansas City, Duluth and Minneapolis, for only two days ter the visible supply report came out, showed a decrease of 9,000 bushels. Every one of these three important places shows decrease so far this week.

In the meantime the foreign situation is also gradually improv- g; and while we are way out of line for export, it always has a mpathetic effect. It was reported that four cargoes of Australian eat were worked to China; and world exports of wheat and flour om July 1st to October 8th, a little over three months, amounted to 6,000,000 bushels compared with only 147,000,000 bushels in 1933, 9,000,000 bushels more. With the shortage of the rice crop in e Orient, it is to be presumed that additional demands will be made the export countries, in which case Canada would benefit greatly. eir market today showed great strength; and of course in propor- on, as other countries follow the upward tendency, fears of im- rtations grow less. These scares were among the contributing fac- rs in the late declines and may now be gradually removed.

The whole city of Chicago received only 53 cars of all kinds of ain -- wheat, corn, oats, rye and barley, which amounts to about ,000 bushels; a quantity which one fair-sized speculator could sily absorb in two minutes. It plainly shows that unless there a complete change, which is not likely, that no further pressure amount to anything will be expected from farmers' deliveries on is year's crop.

Corn receipts were also very small-- less than one-third of what ey were last year, being 432,000 bushels versus 1,403,000 in 1933. believe the inherent statistical situation in corn is even better an in wheat; and we expect the government report will confirm this inion this afternoon. There is no use, however, in anticipating is result because sometimes when the actual figures are furnished ey are disappointing; but yet we are convinced that the total crop corn together with amounts left on farms, will be way below the nsumption of any normal year.

Oats and rye followed the other cereals, and closed much higher. also believe as far as oats are concerned, that while the govern- nt report will not be surprising, when analyzed closely it will ing to the attention of everyone the absolute scarcity of this ticle. We presume that last and this year's crops together will t be much more, if any, than an average crop in past seasons.

Sterling exchange, which had been much stronger yesterday, partly account of flight of capital, and also because of the assassina- on at Marseilles, again took a downward course; and the present vel is hnly a trifle above the normal.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Oct. 11, 1934.

Since the close of our session yesterday, the government came
t with its estimate on this year's crops, also the amount left in
rmers' hands, and other highly interesting information. As far as
wheat figures are concerned, only a small increase was made in
spring wheat crop, and the total of winter and spring wheat com-
ned is now given at about 497,000,000 bushels, which roughly speak-
g, would be around 150,000,000 bushels less than the probable con-
mption. Of course, to that extent our carryover would be reduced.
base this on the assumption that imports and exports will about
fset each other. There is no question that some wheat has already
n imported, and smaller quantities might follow; but on the other
d some of the Pacific coast wheat which was sold late last season
d not been cleared until after July.

The amount of wheat left in farmers' hands is only --
234,000,000 bus.
mpared with - - - - - - - - - - - - - - - - - - 309,000,000 "

preceeding season, or - - - - - - - - - - - - 75,000,000 "
ss. If to this deficiency is added the de-
ease in the visible supply of - - - - - - - - 32,000,000 "

arrive at a total deficiency of - - - - - - 107,000,000 "
mpared with 1933. Inasmuch as mill stocks and country elevator
ocks have also been heavily reduced, we probably would arrive at
same conclusion: namely, a final impairment in stocks of ap-
oximately 150,000,000 bushels.

As far as corn is concerned, the crop is estimated at--

1,417,000,000 bus.
th a carryover of - - - - - - - - - - - - - - - 264,000,000 "

ving us total supplies of - - - - - - - - - 1,681,000,000 "

Now let us look at what the actual consumption was last year.
Oct. 1, 1933, there was in farmers' hands- 316,000,000 bus.
raised a crop of - - - - - - - - - - - - - - - 2,344,000,000 "

king total supplies - - - - - - - - - - - - 2,660,000,000 "

our farmers' stocks are now - - - - - - - - 264,000,000 "
r consumption must have been - - - - - - - - 2,396,000,000

- 715,000,000 "
e than are in sight this year. This is on the assumption that the
ount of corn in other positions is much the same as it was last
ason.

A similar bullish statement was furnished on oats.
amount carried over on July 1 was - - - - - 107,000,000 bus.
h a crop raised of - - - - - - - - - - - - - - - 546,000,000 "

ving us a total of - - - - - - - - - - - - - - 653,000,000 "

re are now 460,000,000 bushels left on farms, indicating a con-
mption in three months of 193,000,000 bushels. At the same rate
the next nine months, we would need 579,000,000 bushels, which
much less than supplies are estimated at the present time.

Europe must have construed the report as very bullish, as their
ures advanced about 2 3/4¢; it also immediately affected Canadian
ures, and had its repercussions here. The tone was strong at the
ening, heavy short covering took place, and the close showed an
vance of 2 1/2¢ per bushel.

(over)

Primary receipts continue to be extremely light, 505,000 bushels. No comparison can be made with last year when there was a holiday. Stocks at important points continue to decrease, and Kansas City, Duluth and Minneapolis so far this week have decreased 569,000 bushels, indicating a good decrease in the visible on Monday.

In addition to the foregoing, a report came out from Washington that Senator Bulkley, following a conference with President Roosevelt at the White House, declared it was his belief that there is a strong possibility of further devaluating the dollar.

Corn receipts are gradually falling off, being only 374,000 bushels today. Again no comparison can be made with last year, but the actual shipments were 575,000 bushels.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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NE YORK COCOA EXCHANGE
W RK COFFEE AND SUGAR EX.
CO MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY

TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

October 13, 1934

During yesterday's holiday, wheat prices declined sharply both
iverpool and Winnipeg. There was less inflation fear; excellent
ns were important in Australia, improving their crop prospects,
h caused the change in sentiment.

Argentina and Australia together are shipping this week 7,070,-
bushels compared with only 2,059,000 last year, showing on the one
l that the importing world will have no trouble for the present to
ply its needs, and on the other it shows much greated power of ab-
ption this year compared with 1933. Similar weeks in 1933, the
al world shipments amounted to only 9,374,000 bushels, which in-
ded all of North America, Russia, Danubian provinces and other
ntries, which quantity will be much exceeded on Monday. It seems
t increased requirements come chiefly from the Orient; Australia,
instance, during the last four weeks exported wheat and flour at
otal of a little less than 9,000,000 bushels, of which the Orient
orbed almost 5,000,000 bushels.

With the steady advance in silver prices, present wheat costs
l not look high to the importer in the East, and with the poor rice
p, it is possible that this movement will continue at least for
e time. It is quite clear, however, that it is becoming harder and
der to make positive predictions as to future values when so many
er unforeseeable events might become a great influence.

For a couple of days, hopes or fears of possible inflation were
te a dominant feature, and judging from the latest press reports,
re seems to be no immediate prospect of a further devaluation of the
lar on the part of the administration. However, should these sur-
es be correct, even then we are not sure that depreciation of the
rency might not come through other ways. Up to October 11 of this
r, or three months and ten days of the fiscal year, we find that
New Deal has cost for emergency relief, public works for federal
rgency relief administration, and for emergency conservation works,
otal of about $1,098,000,000 - almost equal to the rate of 4 bil-
n dollars during the fiscal year and prospects are that expenses
l rise rather than decline.

Furthermore, with the assassination of two important personages
Europe, who had been striving hard for peace, it is not excluded
t while probably there will be no real warfare, that from time to
e during the next few months, we may have more or less minor
res, there being such intense hatred between several of the sou-
rn nations.

Another feature which must not be overlooked is the continued
ught in the Southwest. We all know what terrible heat there was
Kansas and other adjoining states during the summer with lack of
cipitation, and we now find that during the months of July, August
September, in Kansas the rainfall was again deficient as follows:

Third 17 Co.		North Middle 19 Co.		S/W Third 19 Co.	
4 average	3.16"	1934 aver.	4.51"	1934 average	8.87"
3 "	10.03"	1933 "	9.23"	1933 "	12.48"
mal	7.13"	Normal	8.97	Normal	11.64"

However, there is one feature in the picture which never seems
change: that is, the strong domestic situation which asserts it-
f from time to time. We also see no reason why this should not
tinue to be the case, and in fact, become more important as the
son advances.

(over)

Primary receipts today for instance, for two days, were only 647,000 bushels compared with 519,000 bushels for one day last year. Stocks at Kansas City, Duluth and Minneapolis show a decrease of 1,229,000 bushels, each of the three markets participating. This for shadows another good decrease in the visible supply on Monday. Premiums, under the circumstances, keep strong, and there is no sign of their weakening any. Millers continue to come to terminal markets for their supplies.

The decline was practically all established at the opening, bein sympathetic with foreign markets; and there was a net decline for the day of 1 1/2¢ per bushel, there being a fair recovery towards the clos from the low point.

Corn, oats and rye could not withstand the weakness in the siste cereal, and all reported lower prices. Receipts of corn continue to be lighter than last year, only 719,000 bushels compared with 1,089,000 bushels in 1933. We should not be surprised to see a moderate decrease in the visible supply on Monday. The short crop of all feedstuffs is continually confirmed from all quarters and while there will be a great reduction in the amount of feed required, nevertheless, we believe there will be a scarcity before another crop comes on the market; and therefore think the situation is intrinsically strong.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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ODITY EXCHANGE INC.

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TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO October 15, 1934.

Liverpool cables were a little higher today, which was rather xpected and gave the trade some encouragement at the opening of session, and the market acted firm.

Weekly world's shipments were 11,622,000 bushels compared with 74,000 last year. This increase which shows a better demand from opean countries is highly satisfactory. So far up to date the im- ting world has taken about 11,000,000 bushels more wheat and flour n in 1933; and it is to be assumed that with shorter crops and a ter demand from the Orient as time goes on the comparative de- d will improve still further. In analyzing the origin of ship- ts, North America furnishes a sad picture, falling behind so far 00,000 bushels, of which the last week alone shows a deficiency 2,000,000 bushels. While it is not expected that the United States lbe in the export column this year, it had been figured that ada this season would export almost 75 to 100,000,000 bushels e than last; and in this way reduce her unwieldy carryover. We still in hopes that an effort will be made to stop their arti- ial price level and compete with other countries in order to make the amount lost up to the present time. This remains particularly ortant, as the weather in Canada is very favorable, with farmers' iveries extremely heavy, amounting to 13,608,000 bushels for the k ending October 13; and exports in the same week of 3,000,000 hels creates a temporarily weak situation there.

The movement to terminal markets continues to be very small, eipts being only 626,000 bushels versus 752,000 a year ago. The ible supply shows another decrease this week-- 2,151,000 bushels inst an increase last year of 410,000 bushels; and there is now 000,000 bushels less in sight at various points than the previous r.

The open interest in wheat shows a gradually declining ount, the total now being only 134,000,000 bushels versus a high 166,000,000 bushels or 32,000,000 bushels less. As wheat goes o consumption and hedges are taken out, it seems speculators uidate.

The prediction of possible showers was a minor influence, but smuch as there are quite a good many bulls on the expectation t with the lack of subsoil moisture the chances are very good another short crop, or at least crop scares later on, the wea- re is being very closely watched. Of course, in order to re- ve all anxiety, we need one or more heavy downpours; just a few al showers would not be sufficient to improve the situation mate- lly.

There was very little difference in sterling exchange today, according to a statement by the chief of the AAA that some 2 millions remain to be distributed as rental and benefit pay- ts under existing contracts, is a steady reminder that the heavy ernmental expenditures are still going on, and are likely finally tend toward inflation.

At the close the market showed a decline of one-half cent a hel.

Corn was the chief actor today, and heavy orders from the t brought about a much higher level. News was also encouraging. visible supply decreased 561,000 bushels, while last year it reased 1,303,000 bushels. Primary receipts were also only a tle more than half of what they were in 1933-- 892,000 bushels inst 1,623,000 respectively. A very interesting statement was en to the public-- namely, that the government sealed corn on ober first had been reduced to 68,000,000 bushels from a top of ut 270,000,000 bushels. As the largest part of this corn will bably be consumed at home, we think that receipts will continue be light, and that even the new crop coming on the market will make much difference. The bulk of it will be needed right at e in Iowa and Illinois-- the largest producers.

Hogs continue to decline in price, and the weight of same ws distinctly that on account of the discrepancy in values between s and corn, they will not be fed to the same extent as usual. s ought to have a stimulating effect on the price of lard later and sentiment in this article remains very bullish.

Price changes in both rye and oats were very small. The fact t another cargo of imported rye was received here had a rather ressing influence.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
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141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Oct. 16, 1934.

The wheat market which has been more or less in a rut for a
ng time showed an unexpected vigor today. The justifiable hope
at the Argentine wheat crop might have its setbacks, as almost
ery crop has from the time the plant is sown until it matures, had
t materialized so far. Everything in that part of the southern
misphere seems to be going along nicely with prospects of another
mper crop. The government, which controls the marketing to a large
tent, is anxious to force the disposal of the old supplies to make
om for movement of the new one. No attention has been paid to the
omises made at the London conference to ship only its agreed quota,
is having been exceeded by a huge amount. This was accomplished
rough forcing sales at continually reduced prices, which in turn
fected the Liverpool market.

The latter was weak again today, but it recovered somewhat
fore its close, although there was a net decline of over 1¢ per
shel. Our market's reaction to this foreign news has been invariably
same. Fears on part of longs, brought about liquidating sales
rly, causing a sympathetic decline; but owing to the strong domestic
uation it was soon discovered that the mills are absorbing such
ferings, bringing about quick rallies. We have a domestic situa-
on such as probably no trader ever has experienced. The visible
pply while decreasing, is still large compared with pre-war years,
the farmers' movement is so very light that there is practically
pressure from this source. This is bound to continue as the govern-
nt, on October 1st, estimated the farmers' holdings at only 234,000,-
bushels, out of which about 15 to 20,000,000 bushels are needed for
ing wheat seeding. Furthermore, deductions are to be made for the
unt of wheat held west of the Rocky mountains, which amount never
ures in primary receipts. It can easily be concluded that the
e tendencies of light movement will continue for the crop year,

Primary receipts were only 310,000 bushels today, less than
f of last season, when they were 665,000 bushels --unprecedented-
small. Shipments were almost twice as much, 541,000 bushels. So
this week stocks at Kansas City, Duluth and Minneapolis show a
decrease of 152,000 bushels, making it quite clear that there
l be another decrease in the visible supply on Monday.

The bull has an advantage which he has not possessed for many
rs. Ordinarily he has to pay a big carrying charge for the privi-
e of staying long wheat for any lengthy period, as storage, insur-
e and interest charges are quite heavy. These carrying charges
o exist at the present time at both Liverpool and Winnipeg; but
this market May wheat may be purchased practically at the December
ce. Therefore, there is no cost for the privilege of remaining
g for five months, and July wheat is actually selling at 4 1/2¢
count, which at least gives the odds to the buyer. This particu-
ly so, should anything happen to either the new crop, or should
dollar be worth less nine months from now than at the present
e, compared with the gold countries. We personally doubt whether
s privilege of purchasing futures at such discounts will continue.
cks of #2 red wheat in public elevators, deliverable on contracts,
ually increased from 2,279,000 bushels last week and are now
,03,000 bushels. There is also quite a lot of red wheat in pri-
e elevators, but it is difficult to determine just how much. We
dly believe that as time for delivery nears anybody will be anxious
pay for the red wheat, because of heavy storage charges when there
no good market available, and when red wheat is selling cheaper
the east than here, freight rates considered. As far as the new
p is concerned, while much may happen, at the present time there
a lack of subsoil moisture and many complaints about dust storms.
ever, we fully appreciate that with a change in weather conditions,
h of the damage that has been done up to the present time could be
aired.

(OVER)

During the whole session the great strength in corn was a distinct help in advancing wheat prices; and at the close futures were 1 1/2 cents per bushel higher than yesterday.

Corn acted firm from the beginning. Primary receipts were only 541,000 bushels compared with 686,000 last year; and shipments were larger, being 616,000 bushels. It is daily becoming more apparent as the movement of the new crop starts that most of the feed which was raised will be needed at home where it was produced, and that comparatively little will be left for consumers at terminal points. The close showed an advance of 1 3/4¢ per bushel.

Oats naturally benefited from the strength in the other cerea but rye followed only reluctantly.

Sterling exchange was quite strong today and showed a couple points advance, which is always very encouraging on half of the great commercial nations of the world are still tied to the English exchange.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
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UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

Oct. 17, 1934.

The combination of lower cables and precipitation in the south-
st, in territories which had been the driest, was too much for the
eat market. It opened lower and never rallied much above the pre-
ous close.

Liverpool finally closed about 1 cent per bushel under yesterday.
is is the second day of declines there, in spite of our yesterday's
rength. Broomhall explains the weakness with the fact that France
offering wheat again. This in view of the large surplus still
ft in the Argentine, and the knowledge that Canada must sooner or
ter compete with the other countries, makes it pretty difficult at
e present time to feel much encouraged about the foreign situation.
tober wheat at Liverpool is actually quoted at 74 1/8 cents, or
re than 26 cents under our December. Fortunately, their deferred
tures are selling much higher, May wheat being 9 1/4 cents above
e nearby future. Consequently, as time goes on, the discount
ll not be quite as large, and while exports are out of the question,
least importations on a broad scale are not likely.

It is estimated that Argentina still has a balance of 62,000,-
0 bushels of the old crop, which makes large weekly clearances
ite possible until the new one moves. By that time that country
ll have to be reckoned with again, unless the present excellent
ospects should receive a setback. The past years' yields, which
re above an average, were finally placed at 286,000,000 bushels;
d while the acreage is supposed to be over a million acres less,
about 5 per cent, considering the small home consumption, there
uld be a sizable quantity left again for export.

So far up to date Europe's capacity to absorb more wheat, in
ite of the smaller crops in many countries has not yet materialized,
though since August 1, or in about two and one-half months,
,000,000 bushels more have been shipped to ex-European countries,
ich is a most encouraging feature for the exporting countries.

The rainfall overnight was quite satisfactory in the dry dis-
icts of the southwest, but unless it is followed with more it will
lieve the situation only temporarily. According to the weather
ediction, with the exception of further showers over southern
nsas and Oklahoma, there is not much additional rain in sight.
vertheless, during the session a good many reports were optimistic
garding the amount of rain which fell in various parts; and we do
t want to minimize this blessing.

The world's visible supply at the present time is only 34,000,-
0bushels less than in 1933, comparable period, and the total de-
ease practically comes from the United States, where the supplies
e 38,000,000 bushels less. Canada and the United Kingdom both
ve virtually as large stocks on hand as they did then, and Argentina
d on-passage have more. It is at least propitious that there pro-
bly will be no pressure whatsoever on part of Russia. The heavy
ipping period from that country is almost over, or at least it will
in a month from now. So far this great agricultural country has
eared only 1,652,000 bushels versus about 8,000,000 bushels both
st year and the season before, and 48,000,000 three years ago. It
also quite certain that the United States will not be an exporter
is year, while in 1933, with the help of subsidies, about 30,000,-
0 bushels were disposed of; and to that extent a better market
ould be available for the various other countries.

The fact that under the circumstances there was not more
quidation, speaks well for the inherent strength of the market.
course, this was entirely due to the domestic situation, which
y assert itself independently of what is going on in the balance
the world. Primary receipts were only 375,000 bushels compared
th 479,000 last year; and so far this week stocks at Kansas City,
luth and Minneapolis show a decrease of 552,000 bushels. Cash
emiums continue to be extremely strong everywhere.

(OVER)

The higher price for corn will also inevitably lead to a larger amount of animal wheat feeding; and it is quite obvious that our carryover at the end of the season will be reduced to very moderate proportions.

At the close the wheat market showed a decline of 1 1/8¢ per bushel.

Corn receipts were light again today-- 558,000 bushels versus 850,000 a year ago. There seems to be no fear whatsoever on part of longs about the normal movement, which usually has a depressing effect when the new crop starts to make its appearance. The husking returns so far are quite unsatisfactory, and many territories which ordinarily ship to terminal markets will be compelled to appear as buyers this coming season on account of the unprecedented drought and its ravages.

The corn market at the close was 1/2 cent per bushel lower.

Oats and rye followed the other cereals more or less, with trade reduced to a minimum.

Sterling exchange was practically unchanged, which is very encouraging, thus indicating that there is no apprehension at the present time either in England or in this country that great monetary changes are in sight. As business prospers/, more if exchange fluctuations remain limited, it will not matter so much whether the parity is a little more or less in favor of one country or another.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
AGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
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UHLMANN GRAIN COMPANY
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO October 18, 1934

It is difficult to shake one's old habits. Every trader or spec-
or in the Chicago pit had been trained for years and years to
h the fluctuations of the Liverpool market. This was certain-
ustified, as the opinions of the whole world had been reflected
e. There was never a large exporting country in the world where
es were not immediately influenced by the Liverpool market, and there
none who had not looked there for its outlet. This really has
changed, except to the extent that as far as this year's crop is
erned, the United States has no surplus wheat to sell, her prices
way above an export basis, and therefore temporarily will be in-
nced more by domestic than foreign conditions.

Nevertheless, and in spite of the fact that our futures are sell-
2 to 25 cents over Liverpool, any fluctuation there finds its
mental repercussion here at once. According to habit, there-
, when Liverpool showed great weakness before our session opened,
ing turned very bearish, causing a considerably lower opening and
es declined fully a cent per bushel. Shortly afterwards, the
ng domestic situation asserted itself again, and with no pressure
soever from hedging sales, a reaction occurred and when Liverpool
recovered sentiment assumed a more friendly tone.

Foreign markets at the present time are under the influence of a
ination of events: namely, free offerings by the French govern-
which seems to be dumping its surplus regardless of price, wheat
g offered for much less than half of the domestic value. In
tion to the foregoing, there were reports from Argentina that the
crop outlook remains favorable, with indications of a harvest
ier than usual. Under such conditions we can hardly expect much
uragement from the other side. This in spite of the fact that
k sea shipments continue to be very light, 144,000 bushels versus
3,000 bushels in 1933. Canada is also not pressing its sur-
on the market, still hoping that the other countries alone can-
furnish all the wheat needed by the importing nations, and that
will be able to make up later what she misses at the present time.

The bull element also had to contend with reports of very favor-
rains in the Southwest. One authority wired us he considers that
t three-fourths of the southwestern territory had good moisture
last few days, some places receiving more and others less, re-
ing the situation considerably. It should, however, be borne in
that the lack of subsoil moisture, which was prevalent for such
ng time, cannot be cured all at once. We are reminded of a say-
by a farmer in the western part of Kansas who stated there is
r sufficient rain in that territory unless everybody claims there
oo much.

Primary receipts of wheat were light again today, 517,000 bus., a
le larger than last year; but as the bulk was received at Minne-
is, we construe a large amount as a duplication because that cen-
draws wheat right along from both Kansas City and Omaha. Stocks
inue to decrease, Kansas City, Duluth and Minneapolis showing a
nkage so far of 834,000 bushels, pointing to a large decrease in
visible supply on Monday.

The corn market showed great strength during all the session and
imentally helped wheat which at the close showed a decline of 1/4¢
shel. Primary receipts of corn were a little larger than last
, being 725,000 bus. vs. 608,000 in 1933, similar week; but the
d corn is disappearing very rapidly, and we think when the new
commences to move receipts will prove to be a great disappoint-
. At the close corn showed an advance of 1/4¢ a bushel. Oats
rye fluctuated but little.

Sterling exchange continues to remain very strong and at the pres-
time seems to be no factor either way. It indicates greater con-
nce in the stability of both the English and American currencies.
ver, it is always well to bear in mind that thru either the con-
ance of our large expenditures or voluntary radical measures,
bilities exist of changes which might again affect commodities.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

October 19, 1934

The wheat market is suffering at the moment more from inertia an anything else. It would be a mistake, however, to construe this r inherent weakness, because there is sufficient underlying strength the situation so that the picture might change very rapidly.

At the present time, the weakness abroad caused by forced ench selling, as well as Argentine pressure, is casting a shadow er speculative sentiment. World shipments, for the week ending nday, promise to be much lighter than heretofore, and if this buld continue for another week or two, Europe would have to take gnizance of same. Argentina, Australia, Russia and the Black sea eared only 4,178,000 bushels. So we do not believe world shipments Monday will show more than 8,000,000 bushels at the outside, which ıld compare with 10,600,000 bushels similar period last year, and nsiderably under weekly requirements. The domestic flour demand v, which had been very heavy, has let up some. However, this is ly a momemtary feature, as we all know that during the twelve nths there is a certain amount of consumption, and if it is less one period, it is bound to catch up later on.

The statistical domestic situation remains as strong as ever. e government estimated farm reserves on July 1 as 60,000,000 bu- els; the crop 497,000,000 bushels; and total supplies in farmers' nds 557,000,000 bushels. On October 1, it estimated the amount ft on farms as 234,000,000 bushels; consequently, a disappearance r three months of 323,000,000 bushels, which, of course, includes e amount used for seed for the winter wheat crop. Of the supplies ft on farms on October 1, (234,000,000 bushels) there will be about 000,000 bushels needed for spring wheat seeding. If every bu- el were disposed of it would leave for farm movement only 214,000,- bushels in nine months compared with the 323,000,000 bushels, ch have been disposed of one way or another in the first three nths of the crop year.

It is therefore no surprise today that primary receipts of eat were again a little light- only 350,000 bushels versus 477,000 shels; and that stocks at Kansas City, Duluth and Minneapolis so show a decrease of 1,055,000 bushels. This drawing on stocks terminal points is bound to continue for the balance of this crop r. Many traders are willing to take this long-time view, as is denced by the increase again in the open interest, which is now out 2,000,000 bushels above the minimum recently reached.

Our depression started about five years ago on October 24, 9, when liquidation in New York increased to such an extent that the day mentioned almost 13,000,000 shares of stocks were traded and on October 28, transactions in excess of 16,000,000 shares ually took place. December wheat at that time varied from about 20 to about $1.27; and later on when it declined to about $1.18, government agencies started to artificially maintain prices with ing orders, which in turn brought about the deplorable situation we have erienced during the past 5-year-period. The immediate consequence an accumulation of wheat and an inducement for the balance of world to increase acreages, resulting in tremendous over-produc- n and the lowest price level experienced in centuries. All the s has been cleaned up now, partly through the drought during the t two years, and also through the artificial reduction of acre- s in the United States

(over)

To show how unsound the situation was then, and how ridiculous the effort to maintain prices, we wish to point out that the visible supply at that time was 193,000,000 bushels compared with 108,000,000 bushels now; primary receipts of wheat from July 1 that year up to October 20 were 266,000,000 bushels versus 98,000,000 bushels this season, and the price level 25 cents higher, even though the dollar was worth 100 cents compared with all other currencies in the world, while now it is worth only about 59 cents in comparison with gold countries.

At the close the market showed a decline of 1 1/8 cents per bushel.

Corn, oats and rye also suffered from heavy liquidation in sympathy with wheat, but also showed some recovery from the lowest point. Primary receipts of corn were heavier today- 849,000 bushels against 598,000 bushels last year; but we feel the shortage of this year's crop will be felt more as winter approaches, with the small stocks available of all kinds of feed, and when consumption increase correspondingly. It will be a new experience in this country to get along with a crop of only 1,400,000,000 bushels, something which has not occurred since 1901, and the memory of very few people is good enough to remember that.

UHLMANN GRAIN CO.

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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Oct. 20, 1934.

Nothing can illustrate the mometary situation better than the
pt that the very bullish report released yesterday afternoon by
e Searle Grain Co. on the Canadian crop, had been entirely ignored.
verpool which watches that market more than any other responded with
decline of about 1 1/2¢ per bushel. The report estimated yields in
e three Canadian Provinces at 240,000,000 bushels, or 25,000,000
shels less than the government. Possibly it had less effect than
e would have supposed because it was so very pessimistic that it
emed almost incredible. When deductions are made to the effect
at out of a crop of 240,000,000 bushels, 55,000,000 bushels never
ave the farms, there would be available from farmers only 185,000,-
0 bushels. Up to date 123,000,000 bushels have already been market-
; thereby, leaving only 62,000,000 bushels for a little more than
e months. Marketings today were 1,706,000 bushels, thus showing
ly a small falling-off. At this rate in about 40 days there would
practically no wheat left.

The great weakness abroad, which has continued for such a long
me, with apparently no recuperative power, made a sufficient im-
ession upon the trade, so that the domestic situation for the time
ing is entirely overlooked.

This particularly so, as at the moment there is a lull in the
lling demand; and while premiums still keep very firm, the demand
r large lots such as the elevators have been selling right along,
absent. Consequently, the removal of hedges, which had been so
imulating of late, did not appear.

If previous calculations are correct, that our prices will
nally depend more upon the development of the domestic situation
an in the foreign outlook, any improvement in the milling situation
ght quickly change the picture and sentiment. There is no pressure
atsoever from new arrivals-- primary receipts being only 406,000
shels compared with 572,000 last year. Stocks at Kansas City,
luth and Minneapolis so far this week show a decrease of 1,253,000
shels.

Further moisture in various parts of the country also had a
pressing influence, as seeding can go on now in many places which
d been too dry before.

However, if one considers that July wheat is already selling
der 93¢, it certainly discounts a fair to good crop, taking into
count that at best the acreage will be limited, and will not be per-
tted to reach its previous high size. It also must not be over-
oked that if corn remains where it is at the present time, and wheat
clines much more when the next season opens, feeding of wheat would
ke place on an increasingly large scale. Also the northwest, which
that time will undoubtedly have reduced its stocks to a minimum,
ll become a very extensive buyer.

At the close there was a decline of 1 1/2¢ per bushel com-
red with yesterday.

Corn and oats were entirely influenced by the weakness in
her pits, although receipts at primary points were fairly large--
6,000 bushels versus 597,000 a year ago. Husking returns continue
remain unfavorable.

Rye was particularly weak, but at this decline it is hardly
kely that new importations can take place. There is a fair, steady
mand right along, which in due course of time should have its ef-
ct on this cereal.

Gold in England continues to decline, and our dollar value is
clining compared with sterling. It does not seem apparent that
y artificial manipulations are going on; and therefore it must be
nstrued as a natural readjustment from the previous weakness of
erling. As mentioned before, unless fluctuations should be too
cisive in either direction they will have no effect on commodities.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Oct. 22nd, 1934.

As we anticipated, world shipments the past week were ex-
mely light, only 9,000,000 bushels compared with 10,627,000 last
er, and a great deal smaller than the theoretical requirements.
chief falling-off came from North America, shipments being
,00,000 bushels versus 6,300,000 in 1933, and clearly shows that
ada is being undersold by various other exporting countries,
rentina and Australia both furnished a much larger quota than the
vious season, but fortunately the Black sea is almost entirely out
the picture, as 144,000 bushels were cleared this year against
ost 1,500,000 the year before.

Liverpool under the circumstances, after a steady decline
about a week, firmed up considerably, and at one time showed an
ance of 2 cents per bushel, but finally, taking the fluctuation in
rling exchange into consideration, closed about 1 cent a bushel
her.

Inasmuch as our weakness was entirely due to the demoralized
dition abroad, where prices have been receding steadily for almost
eek, sentiment changed immediately with the hope that there will
no further discouragement from that quarter. When it is consider-
that both Liverpool and Argentina recorded within a few cents the
est prices in a long period, it is quite natural to assume that
y through renewed pressure will these depressed prices continue.
is quite likely that Argentina, with its new crop coming along in
d shape, will continue to be a liberal seller; but, of course,
y alone can only supply a moderate percentage of the import needs.
tralia is not favored with a bumper crop this season; so Canada
l remain the deciding factor for some time. So far she has not
competitors in a liberal way, and a large part of her crop has
n marketed already. But this does not mean that her wheat has
appeared by any means. As long as the managers of the government
ncies are willing to hold for higher prices, there is no danger;
should there be any anxiety to get rid of the huge surplus, it
ld be another question. Up to the present time Canadian farmers
e marketed 125,000,000 bushels out of a crop estimated by the
ernment of 265,000,000 bushels, of which 55,000,000 will be needed
the interior. This would leave 85,000,000 bushels yet to come
ward, and if some of the lower private estimates are correct, even
s than that. Considering that today's marketings were again
84,000 bushels, it is of course possible that the crop was under-
imated. Otherwise, it certainly would be easy to take care of the
remely small quantity remaining on farms.

Domestically the situation continues very strong, and the
rt crops of everything are making themselves felt. The visible
ply of all important cereals decreased as follows: wheat, 3,381,000
hels; corn, 190,000; oats, 621,000; and rye, 174,000 bushels. The
ible supply of wheat has been reduced now to about 105,000,000
hels, and is 41,000,000 bushels less than in 1933. Premiums are
ping up in spite of the fact that at the present time the milling
and is poorer than it had been; but with such light receipts as
are having we believe that decreases at terminal points will con-
ue, although probably on a smaller scale. Twenty-two points re-
ted today decreases, while only three showed an increase compared
h last week; thereby, confirming view that farmers' sales are not
ficient to fill ordinary requirements. Primary receipts were
,000 bushels compared with 798,000 a year ago. Shipments were
ut equal-- 667,000 bushels. Stocks in Chicago for this week show
ecrease of 596,000 bushels-- over 8 per cent of total elevator
plies. This reduces quantities left to 7,105,000 bushels, with
important outside shipping market from which to attract wheat for
cago. However, the demand for #2 red wheat is still very poor;
this variety of wheat is selling cheaper in the east than here.
uld there be any artificial or natural congestion it is quite
ssible that some wheat could come here from outside points ordinarily

(OVER)

not tributary to Chicago; otherwise there is nothing in sight to replenish the stocks here for the balance of the crop.

Toward the close for unknown reasons there was suddenly heavy liquidation; and at the close the wheat market showed a loss of 1/4¢ per bushel compared with Saturday's final figure.

Primary receipts of corn were very heavy today- 1,171,000 bushels versus 637,000 the previous season. This is partly due to the fact that big premiums are being paid for old corn, which is an inducement for the farmer who still has sealed corn to sell it. On the other hand, elevator men are very anxious to purchase it because such choice corn will hardly be duplicated this coming year.

The corn market showed a decline of 1 1/8 cents per bushel.

There is a steady demand for rye, stocks are decreasing, ar available supplies are certainly not burdensome, unless there should be new importations.

Oats held steady.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Oct. 23rd, 1934.

Liverpool cables were extremely strong today, their futures sing about 1 cent per bushel higher, while we had a sharp decline terday after their session was over.

Although we are neither on an import nor export basis,and so have practically done no business with the outside world in wheat flour for four months, yet today's greater strength abroad had an ortant stimulating effect on values here. This shows that the rnal hope which springs in every human breast is not extinguished yet, and any encouragement coming from abroad raises the hopes im- iately that the whole world situation might change for the better.

The immediate motive for the advance abroad was the report of e rains in the Argentine where they are not wanted, and of course is an indisputable fact that the final outcome of the crop there be the determining factor in shaping world's values.

Prior to 1914 Russia and the United States were the two important at exporters. They were crowded out by Canada and Argentina who k their place. It now looks very much as if Argentina is getting better of Canada, is underselling her and making it difficult for latter to keep up the race. From July 1 to date, Argentina shipped 000,000 bushels more than in 1933, and North America 7,000,000 bushe s. Inasmuch as the United States is virtually no factor in the ex- t business, these North American shipments must be construed as ctically all coming from Canada. Should this tendency continue, no doubt it will if the Argentine crop comes through all right, n Canada will have to make up her mind whether she will meet this petition or again carryover a large quantity into the next crop. h her December wheat futures selling higher than those of Liverpool is in a very vulnerable position. It is like the sword of ocles hanging over the market with Canada having such large quanti- s of wheat to dispose of and no ready market for it at the present e.

The domestic situation continues to be encouraging. While the lling demand is not particularly good at the present time, premiums keeping up; and primary receipts today were only 361,000 bushels, reas shipments were 955,000, indicating further drafts on elevator cks previously accumulated. So far this week stocks at Kansas City, uth and Minneapolis show a decrease of 165,000 bushels. The amount #2 red wheat in Chicago public elevators, which is the only kind ch is expected to be delivered on December contracts, has been re- ed to 2,106,000 bushels compared with 2,303,000 last year. However, is assumed that with all the eastern markets lower than ours for s variety, it is unlikely that further shipments will be made to extent. If this is the case, then there is a possibility when uidation starts in December wheat that we shall see considerably er discounts under the May. It is not probable that either the vator owners, themselves, or speculators would be willing to carry s variety of wheat from December to May without a carrying charge, re storage charges alone are about 7 1/2¢ per bushel for the five ths without figuring the cost of insurance and interest.

The early advance which was caused by foreign advices could not fully maintained, and the close showed an advance of 1/2 cent per hel

Corn for a while followed the ups and downs in wheat, but finally wed independent weakness, closing 1/2¢ lower, caused by renewed uidation. Primary receipts were 550,000 bushels versus 450,000 a r ago. New offerings are extremely light. It appears as though the gest share of the old corn in the country has been disposed of; and is too early yet for a heavy movement of the new crop. In any case, ng to the shortness of the crop, we do not look for heavy farmers' iveries at any time.

Oats and rye were unable to take any independent action today followed the other cereals more or less.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO Oct. 24, 1934.

Our wheat futures market received a good start again today ing to stronger cables. However, with better weather in the gentine, and with the near approach of harvest in the southern misphere, we feel that an improvement in price is more likely to me from domestic rather than foreign conditions.

Commercial wheat stocks in the United States are 112,636,000 shels compared with 155,000,000 last year at the same time, showg a decrease of about 42,500,000 bushels. The world's available pply at the present time is 410,000,000 bushels versus 455,000,000 year ago; or 45,000,000 bushels less. Therefore, it is very ain that while there has been some improvement in the world's situaon, it is practically all confined to the United States; and the ly decreases in stocks have taken place right here, while elsewhere e situation is unchanged.

This is particularly significant in the important export country Canada, where the visible supply on October 19th was about 242,-0,000 bushels -- a trifle more than last year, and shows a steady crease from year to year for this period from 1927 on, when stocks re only 70,000,000 bushels. For two years in succession now Canada d very moderate or poor crops; and we hate to think what might ocr next year should there be a large or bumper one --an event which ppens about every four or five years. This on the assumption that nada's carryover will be again very large. That country at the esent time is only shipping at the rate of 4,000,000 bushels a week, ich if continued for the next nine months, or until next August, uld be less than 160,000,000 bushels. So there would remain out present stocks 80,000,000 bushels, plus what farmers are still lding from this year's harvest; and as the movement started only ree months ago this must be of considerable size.

So far the world has not shown any great inclination to inease its purchases compared with 1933. Europe actually took 000,000 bushels less, while ex-Europe took 10,000,000 bushels more. net addition of only 6,000,000 bushels in three months certainly not of great significance.

The same favorable tendency domestically which prevailed for ite a period is continuing now --namely, comparatively light reipts and heavy shipments. For all three cereals - wheat, corn and ts - shipments were larger than primary receipts, which is quite ighty, as at all points there is also a good local consumption. erefore, a plain indication that terminal stocks are drawn upon to ll immediate requirements. Primary wheat receipts were 391,000 shels against 408,000 in 1933; and shipments amounted to 470,000 shels. Stocks at Kansas City, Duluth and Minneapolis so far this ek show a decrease of 450,000 bushels. The milling demand was tter today, particularly in the southwest, where futures are narwing against Chicago right along, and high premiums are paid for the sh article in addition.

It is very seldom that a great deal of money has been made on e bear side of wheat when futures are selling much below the cash ticle. It is an entirely different proposition when cash wheat selling at a discount under the nearby futures compared to the norl, when the further deferred ones are selling at a big premium.

Such is the case at the present time both at Liverpool and nnipeg. In the first mentioned place, May wheat is selling at out 9 1/2¢ over the October; and in Winnipeg, May wheat is selling actically at 4 1/2¢ premium over the December, with a great probility that July will again sell at a premium over that. Here y and December are practically selling at the same price, and the yer has the benefit of five months free storage, not to speak of terest and insurance. If he purchases the July wheat he received e benefit of another five cents per bushel.

(OVER)

Trade was extremely light today. The close showed an advance of 3/8 cents per bushel over yesterday's final figure.

Corn receipts were quite light today, all primary markets receiving only 423,000 bushels compared with 701,000 a year ago; and new offerings are quite insignificant. That hogs are being marketed very much underfed indicates that consumption is being reduced on a very large scale. However, if this were not the case, there would not be sufficient feed available for the minimum needs of animals.

The open interest in corn is still very large, but we believe that the new movement will be so light that stocks at termina markets will be gradually reduced, and hedges taken out, which will create a stronger inherent situation. Later on the fact that heavy hogs will be getting scarcer all the time ought to improve the price of lard; and according to all sound reasoning this commodity should be very price-worthy, although it may take a little patience before any profits can be realized.

Oats receipts are extremely small, being only 64,000 bushels at all points, and shipments were 96,000 bushels. Cash oats are bringing a big premium over the December future; and the latter is also selling much higher than the May future. Some day there must be a readjustment, and we believe it will be in the direction of May oats gaining on the others.

The dollar exchange weakened lately against sterling. However, it awakens no interest at the present time, inflation fears having been shelved for the moment. Whether they will be resurrected later on remains to be seen.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Oct. 25, 1934.

Our President's address last night before the American
nkers' Association, at a dinner given at Washington, was no market
ctor. He did not clarify the situation; and possibly it was un-
asonable to expect him to do so. It was made quite clear that
til business improves relief measures of one kind or another will
ve to continue, which means that further large expenditures and
eater deficits in the budget are to be expected.

The natural conclusion, therefore, points in the direction of
tinued uncertainties, nobody being able to predict just when the
n in business will come. However, we know that sometime the
get must be balanced; otherwise the consequences would be det-
ental to the interests of all. While the expressions of our
sident were cheerful and his ideals very praiseworthy, there is
certainty that his hopes, although well intended, will finally
d fulfillment.

Europe took much the same view; and neither sterling exchange
r their grain markets showed any appreciable fluctuations. Our
eal markets, therefore, were left entirely without any outside
luences; and as the feeling has become more bearish of late, short
lling was indulged in more freely, which caused lower prices.

The fact that Argentina and Rotterdam prices are so very low
t rye and oats are being imported from time to time, has created
impression among many that even if all that has been said about
rt crops should materialize, there is a limit as to the possible
ances, unless the European situation improves. There was some
st reported in Argentina, but it seems to have been confined to
y few places. However, as Buenos Aires quotations did not suf-
iently respond, little attention was paid to it.

World shipments again this week promise to be very light,
gentine shipments being estimated at 1,837,000 bushels, and Black
at only 320,000 bushels, indicating smaller requirements from
ope than were anticipated according to Broomhall's calculations,
else millers are holding back on the expectation that Canada must
ner or later meet other competitors and be unable to keep up her
ificial price level. The fact that Canadian farmers' deliveries
in today were 1,426,000 bushels compared with 1,022,000 last year
ates the impression more and more that the crop had been under-
imated.

While these discouraging features in the foreign situation
st be faced, the strong domestic situation which still exists,
uld not be overlooked, because the milling demand while not ex-
sive at the present time keeps right on, and will make great in-
ds on our stocks before long.

Primary receipts today were only 312,000 bushels versus
,000 a year ago, or about half as much. Stocks at every one of
three important points --Kansas City, Duluth and Minneapolis--
w a decrease, and total shrinkage amounts to 666,000 bushels so
this week.

There were charters made for 400,000 bushels of wheat, and
n this quantity clears, stocks of all varieties of wheat in the
y in both public and private elevators will probably be less than
00,000 bushels. They might reach a dangerously low level if de-
ases continue as they have; and there is no reason to expect other-
se. There is no terminal point west of here which is anywhere
r a shipping basis to Chicago, so replenishment could only be made
m straggling receipts coming from Illinois and Indiana.

After the market once started on its downward course, liquida-
n became quite extensive at times, and the close showed a decline
1 7/8 cents per bushel.

Corn showed a reasonably firm undertone during most of the
sion, but could not remain indifferent to the declining tendency
its sister cereal, and finally closed about 3/4 cent per bushel
er. Primary receipts continue to be extraordinarily light- only
,000 bushels against 519,000 in 1933. Shipments are heavier at
,000 bushels. A cargo of about 300,000 bushels was chartered
go east, indicating a further reduction of stocks in general,
ticularly in Chicago.

Oats and rye also suffered in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

October 26, 1934

The great trouble with the grain market at the present time is a very depressed state of mind, and general discouragement; just the opposite of what happened during the past year, everybody being afraid of owning commodities now. This refers to import articles such as rubber, cocoa and coffee as well as to export products: copper or cotton and domestic ones such as wheat, corn and oats.

If this diagnosis of the situation is correct, then of course it is just as likely that values are under rather than over-priced. It is true that everything in the grain line is selling at prices much above the world's level; but this is nothing new as it had been known for over six months. However, the reasoning then was, and may still be correct, that owing to the extremely short crops of not only one cereal, but all of them, this may be one year out of thirty or forty when we are so near a domestic basis, and being protected with such high tariffs, that we can be temporarily independent of the balance of the world.

The fact that Liverpool futures not only followed our decline of yesterday, but dropped even further, showing a total loss of about 2 1/2¢ per bushel, started the wheat market on its downward course, bringing about more liquidation with recoveries very slim until half an hour before the close final futures prices being about unchanged, the December being somewhat higher and the May a trifle lower.

In the meantime, the Canadian market followed our decline only very reluctantly and rallied with us. It was reported that government agencies were giving supporting orders, preventing such extensive breaks as we had here. Canada is so differently situated than we are. Their problem of trying to maintain prices seems so much more difficult. Taking the crop estimate for all of Canada at 277,000,000 bushels and their carryover of 203,000,000 bushels, gives a total supply of 480,000,000 bushels; with home requirements, including seed, at 110,000,000 bushels, it would leave available supplies for export and carryover of 370,000,000 bushels. Weekly exports of about 4,000,000 bushels would reduce this quantity to 160,000,000 bushels which is certainly too much for a country consuming only 110,000,000 bushels, therefore leaving 1 1/2 years' supplies. This particularly so, as the short crops in the past two years might be followed by a very much larger one. Canadian farmers' deliveries of 1,524,000 bushels are also very big for one day; and lead us to believe that the crop might have been underestimated.

The bright spot in the foreign situation is the fact that Black sea shipments this week were again only 320,000 bushels compared with 2,600,000 last year, and since August the total is 3,456,000 bushels versus 14,296,000 similar period in 1933. Corn shipments from that part of the country are equally small; since August only 4,000,000 bushels against 9,500,000 in 1933. Barley shipments, since August, only 7,500,000 bushels whereas last year they were 24,000,000 bushels. All this goes to show that Russia and the Danubian provinces cannot be figured as much of a factor in the exportation of cereals this season.

World's shipments have been small this week and therefore a comparatively strong cable tomorrow would not surprise us. However, all the strength which came into the market when the lowest points of the day were reached came from the domestic situation; and we believe that same should not be overlooked. Primary re-

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ceipts of wheat were only 386,000 bushels today compared with 457,000 bushels last year, and shipments for the day were over double that, amounting to 887,000 bushels. Consequently stocks continue to decrease and so far Kansas City, Duluth and Minneapolis show a decrease of 1,386,000 bushels, which indicates a further reduction in the visible supply on Monday. Generally speaking flour business is not particularly good at the present time, although in spite of it cash premiums are keeping very strong and it is still much easier for any elevator concern to make sales of cash wheat than purchases.

Corn prices suffered earlier in the session in sympathy with wheat, but at all times showed much greater strength than the other cereals. Receipts are light at 562,000 bushels; and in the Southwest tremendous premiums are being paid as this cereal is very scarce in all the important feeding states west of Missouri. The corn market finally closed 1/2¢ higher than yesterday's close.

Oats were particularly weak at times due to the arrival of a small cargo by lake from Green Bay, but they finally improved somewhat in sympathy with other grains.

Rye benefited in sympathy with the recovery in wheat and prices closed unchanged to 1/2¢ higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
AGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Oct. 27, 1934.

Those in the trade who lay great emphasis on the foreign
ation and have their eyes turned toward Europe, are rather dis-
raged. On the other hand, those who base their views of wheat
es almost entirely on the domestic situation, find that the de-
pments are just what were to be expected on as short a crop as was
ested this season; and now anticipate that before another crop is
ed the reduction in domestic stocks will be such that higher levels
t easily be attained.

Cables were rather disappointing today, showing an advance
/2¢ per bushel, in spite of our sharp upturn during the last hour
esterday's session, after Liverpool was closed.

The fact that weather in the Argentine is dry again, that
r crop is coming along nicely, and that their old wheat is selling
uch tremendous discounts abroad compared with other varieties, is
icient to account for the bearish sentiment existing in Europe.
rding to figures furnished by Broomhall to the Canadian Press,
various kinds of wheat sold at Liverpool on October 24, when our
et was much the same as now, as follows in Canadian currency:

Argentine 63 1/2# test weight - 65¢ plus 5 to 6¢ duty
Australian wheat from 72 to 75¢
#2 Northern Manitoba wheat " 85 to 88¢

s quite apparent how much out of line Canadian wheat is, even tak-
into consideration the fact that the quality of their wheat is very
ce and of high protein, thereby commanding better premiums. It is
likely that large quantities can be disposed of until their level
ore closely adjusted to that of Australian and Argentine kinds.

Domestically, week after week receipts are smaller than a
ago, shipments are heavier, and our stocks are decreasing; all of
h is bound to continue until the new crop is harvested.

There were fears at one time that heavy importations would
ge this picture. However, from a most reliable source we learn that
rtations in the United States for consumption, duty paid, from July 1st
ctober 13th, amounted to only 3,780,000 bushels. It may be assumed
most of this is Durum wheat brought in by the government chiefly
seed. On the other hand, the United States gives the amount of
t and flour exports for the month of September at 2,101,000 bushels;
the total for the period of July, August and September this year is
5,000 bushels compared with 4,448,000 bushels in 1933. These
rances undoubtedly include some Canadian wheat imported and ground
flour, but yet it is our impression that on the balance so far our
exportations are somewhat larger than the importations. This, of
se, is due to the fact that some of the northern Pacific coast wheat
h was contracted to be sold of the previous crop was not cleared
l after July 1st. Possibly some of the shipments were delayed un-
lly long on account of the strike. We also feel that as time goes
e chances for importations will become less rather than greater,
use there is no carrying charge paid here between December and May
t; and in Canada the further-deferred future is bringing a premium
1/2¢ per bushel, which makes their wheat comparatively dearer than

Primary receipts were again light today, 452,000 bushels
us 465,000 in 1933; and when it is considered that out of this
l 258,000 bushels were received at Minneapolis it leaves very
le to spare for any of the other markets. We must of necessity
me that a large part of the Minneapolis receipts were duplications,
ith the short spring wheat crop no such movement could take place.
ks at Kansas City, Duluth and Minneapolis so far this week show a
ease of 1,619,000 bushels; therefore we would assume that the de-
se in the visible supply on Monday might amount to 2 1/2 or
0,000 bushels.

The close of the wheat market showed a decline of about 3/8¢
bushel compared with yesterday's final figure.

Corn receipts were very light again--408,000 bushels versus
000 in 1933. There are good premiums being paid in every market,
tuations were mostly in sympathy with wheat; and the close was 1/4¢
bushel lower.

Oats acted independently, and closed 3/4¢ per bushel higher.
visible supply of oats is extremely small, a good share of which
wned by government agencies which have accumulated same for seed-
purposes.

Trade in rye was exceedingly dull, and fluctuations small.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO October 29, 1934.

Cables were strong early this morning when our session open- , and stimulated bullish sentiment. The fact that world's ship- its were very light, only about 9,000,000 bushels compared with ,000,000 the year before, and considerably smaller than estimated ekly requirements, caused higher prices abroad. There were also rious reports that the Argentine crop was not coming along nicely. ter during the session, the Buenos Aires wheat market eased off the nearby position, and the November wheat price declined prac- cally to the fixed minimum. This quickly took away a great deal the hopefulness which was created earlier.

In analyzing the world's shipments, we find that Argentine l Australia continue to ship more than last year, and other coun- ies, particularly France, are doing the same; while North America falling behind. It is therefore quite plain that the whole ld, with the exception of Canada, has learned its lesson and is uidating its large surpluses. The southern hemisphere will start h just normal supplies at the time the new crop is being harvested. looks as though the whole world situation will never become en- ely sound until Canada does likewise; and instead of carrying r from year to year from twelve to eighteen months' supplies for e consumption, she reduces this quantity to a reasonable carry- r and not make the raiser of the new crop suffer from the big sup- es held over from the previous ones. North American shipments far are 7,500,000 bushels less than they were for a comparable iod last year, when with greater shortages in Europe, they should e been much larger. This loss cannot be made up by holding prices artificially, and only by meeting Argentine and Australian com- ition will headway be made.

The long-expected statement from Premier Bennett, of Canada, not clarify the situation. He seems to attribute the declines the market to manipulations, and finds fault with speculative rations. He does not seem to recognize that the trouble is in lack of demand for their wheat on account of other countries erselling.

Domestically, there was little of an exciting nature. Primary eipts continue to be light, 386,000 bushels versus 512,000 in 3. The visible supply showed a decrease of 1,788,000 bushels -- much the same as last year when it decreased 1,825,000 bushels. ow have about 41,000,000 bushels less at visible points; and ect continued decreases from week to week until the next crop es its appearance. The milling demand is not very active at the sent time, but cash premiums are held very high; there is no waver- , and consumers have no choice; whenever they need the actual at they have to go to terminal markets to supply their wants.

The speculator, however, at the moment does not find anything stimulating for the immediate future to fire his imagination. best proof of this is furnished in the fact that the open con- ts in all cereals are practically the same as last week, showing e are few new comers making investments in cereals right now. At close the wheat market showed a decline of from 1 to 1 1/2¢ per el.

Corn receipts continue to be light- only 496,000 bushels at mary markets against 1,133,000 a year ago. The visible supply de- ased 199,000 bushels; and it is now just a trifle less than in when it was very big. Of course, we really do not start the new year on corn until November, and with so much less raised this than any other, supplies should not be burdensome. The assump- n is that the movement will be light in accordance with the short ds.

The oats visible supply decreased 109,000 bus., and is now 000,000 bus. less than last year. A great deal of the visible is owned by government agencies, which are holding it from the et for seed.

Rye declined in sympathy with the other cereals, and also be- o further arrivals are expected here from foreign countries.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO Oct. 30, 1934.

Much as we admire the judgment of Mr. J. I. MacFarland, neral Manager of the western wheat pools in Canada, we cannot follow n when he blames speculative operations on the Winnipeg Exchange the present price level of Canadian futures, which evidently is satisfactory to him. He no doubt overlooks that Winnipeg wheat ures are selling higher than Liverpool's, which is very unnatural, that in consequence Argentina and Australia are underselling him.

We think the cause of the world's low price is due more to fact that Canada does not sell the surplus of her crop in the r it is raised. Last year she exported about 195,000,000 bushels, ch was considerably less than the 219,000,000 bushels carried r from the previous year. This season she started with 200,000,- bushels left over, and it will take her all of the twelve months m August 1st, 1934 to August 31st, 1935 to get rid of that, so that t season she will again have to dispose of the surplus that has n raised this year and what will be grown next season. In other ds, she always has two years' surpluses to dispose of in one year. s cannot be done with or/without speculative help. It is true this uble did not start with Mr. MacFarland; it started with the farm l, was continued by the three provinces, then by the federal ernment, and it is to be hoped that no Empire help will be needed change this. Every other exporting country has disposed of burden- e surpluses and has learned its lesson.

Canadian farmers will have marketed up to November 1st, or three months, about 140,000,000 bushels, showing that the prices t have been satisfactory to them. The government estimates the p in the three provinces at 265,000,000 bushels, of which about 000,000 bushels are used for feed, seed and in the interior; so t the total marketings should not be more than 210,000,000 bushels, ving 70,000,000 bushels on farms for sale. Consequently, either farmers have marketed in three months about twice as much as re is to come forward during the next nine months, or else the crop been under-estimated. We are inclined to the latter belief, as hardly seems likely that the total movement during the next nine ths should not be more than the average of 1 1/2 months up till now. s is another reason why it is so difficult to boost Canadian wheat ures.

The controversy which is going on about Canada's possible ulation was the all-important feature in the market. England, which ntry is the largest customer, is evidently holding off, feeling t she can be reasonably independent of Canada with the southern isphere soon to raise another crop which will furnish the bulk of needs for a long period.

Liverpool futures came lower and although recovering some- from the low point, still show a decline from yesterday's prices.

Our own market is more under the influence of domestic con- ions. There is absolutely no pressure from new arrivals. Lately te a large short interest has been created, and should anything elop to scare the shorts, it would be of great help to the market, uying caused by fears of further losses, sometimes puts prices up ther than they should go legitimately. The fact that receipts extremely light should finally put the market in a strong tech- al position.

Today the great big market of Chicago received only 5 cars heat, 36 cars of corn, 8 cars of oats, and no rye; or a total of ars for this important city. Primary receipts were only 325,000 hels compared with 458,000 bushels last year. Stocks at Kansas , Duluth and Minneapolis so far this week show a net decrease of 000 bushels, indicating that the tendency which has been so prevalent

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of late, viz., decreases in the visible supply, will continue for an indefinite period of time.

At the close the wheat market showed a gain of about 3/4¢ per bushel for the day.

Corn receipts at primary markets were also very insignificant -- only 265,000 bushels compared with 761,000 last year, and the actual shipments were 641,000 bushels. It is very exceptional that corn futures at Kansas City should sell at a premium over ours, but this is the case at the present time, and December corn at that place is selling 2 1/2¢ over Chicago. This to us, indicates plainly that the surplus of a large part of the state of Iowa will move to the southwest instead of coming to Chicago. This market will depend almost entirely upon its receipts from points in Illinois, and we do not think there will be much to spare in this state either.

It is also remarkable that Kansas City July wheat is selling about 7 1/2¢ over Kansas City May corn. Should there be such a narrow difference in the two cereals when the new crop of wheat is harvested in July, it would undoubtedly lead to an enormous amount of wheat being fed, because pound for pound it would be as cheap as corn. Where no corn is raised and freight would have to be paid to the consuming point it would make the feeding of wheat a very attractive proposition.

Oats and rye closed higher in sympathy with the other cereal

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO October 31, 1934

At just about the time when Canada contemplates putting retictions on free trading in wheat futures on the Winnipeg Exchange, rentina, its biggest competitor, pursues the opposite policy. hy also believed that by putting on minimum prices and prohibitr; sales below the limit, declines could be stopped; but evidently th some experience they have learned differently, and have changed ir laws accordingly. Both countries are much in the same posiin: namely, small population, very moderate home consumption and supplies for export. They cannot both be right in trying to ry out different policies. We are inclined to think that in the g run Argentina is pursuing the proper course; it will enable her chants to dispose of their surplus wheat at a profit wherever they find buyers; and after all it is for this purpose that the wheat raised.

It is unfortunate for all that the increased demand, which was pected to come from Europe, has not yet materialized. Since Aug.1st hy actually took 2,000,000 bushels less than a year ago, in spite much poorer crops. It is true ex-Europe took 7,000,000 bushels re; but the total excess of world's requirements is not sufficient help those nations which have raised large exportable surpluses.

The chief trouble of course arises from the fact that all counies have become so very nationalistic that even at great sacices to their standard of living they try to go along with as few portations as possible. Even the Irish Free State has now probited the importation of wheat for the time being, and is encourag g its farmers to increase the acreage of domestic crops.

Under these circumstances, of course new laws anywhere will not re the evils; the correction can come about only through increased mand which in turn can only be brought about if all nations are lling to accept a give-and-take policy. As far as U. S. is conrned, presume we shall also have to agree to more importations of her items if we want to keep up our export business for human and imal food.

Foreign influences are casting a shadow over every bull movement ich is made here at the present time, although we are on neither an porting nor exporting basis and fluctuations abroad have, for the ment, only a sentimental effect. The renewed weakness at Liverol therefore caused a weaker opening, from which we could not enrely recover and the close of the wheat market showed a decline of 8¢ per bushel.

Primary receipts of wheat continue to be extremely light, being ly 327,000 bus. versus 535,000 in 1933; and shipments were heavy, ounting to 656,000 bus. compared with 497,000 last year. Movement all cereals, despite favorable weather for same, is so extraornarily small that it possibly makes new low records. Primary reipts of wheat, corn and oats combined totaled only 638,000 bus. toy compared with 1,882,000 bus. in 1933. Shipments were 1,316,000 s. compared with 935,000 a year ago. This makes continued drafts stocks previously accumulated; and so far this week Kansas City, luth and Minneapolis show a decrease in wheat stocks of 294,000 bus. ere is continued strength in our December future and it is not tificial, but is largely accidental. In view of the high premiums ich are being paid everywhere because of the small stocks, longs ve not yet liquidated and the shorts and hedgers are becoming a bit rvous. However, there is no urgent demand for #2 red wheat, prices ing cheaper in the East than here. Lately some business has been rked from the Pacific coast for shipment to this city. Stocks of red wheat in Chicago public elevators actually increased last week 2,129,000 bus. compared with 2,106,000 the week before, or 23,000 shels additional. Of course no large additions can be expected, t there must be fair amounts stored in private elevators. Therere, when the excitement is over it is quite possible that we shall

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have a repetition of what happened in September: namely, the nearby future may go to a discount.

Corn receipts at all primary markets were only 233,000 bus. compared with 1,142,000 bus. last year. Premiums are also keeping up. This cereal was particularly strong for the nearby futures and, in spite of the decline in wheat prices, May corn showed an advance over yesterday.

Oats and rye were a trifle weaker and trade in same was unimportant.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO November 1, 1934

Canada overnight has decided to put a minimum price on wheat tures below which they cannot be sold at present. How long this ll remain in effect is uncertain. This action reminds one of r times, when governments were compelled to interfere and place a ximum price on wheat futures, so that prices would not rise too h, thus preventing hardships for their people. This is also warre, only economic instead of with weapons; and sometimes if the fects of all calculations finally are upset the results might be ually disastrous. It is now a fight between governments, and no nger between farmers, speculators, traders, merchants and consumers. onomic warfare in wheat first started when the conferences at Londen d Rome proved to be a failure. A certain quota for exports was ranged among the larger nations, but Argentina violated the conact when she found it to her advantage to ship more than was allotd to her. When the government of France, which for years tried to ep prices up artificially through high import duties and subsidies d other measures, started to dump its accumulations on every mart in the world that would absorb them, Argentina followed suit. nada, which country did not reduce its prices in order to meet this mpetition, found herself with a burdensome surplus difficult to rket. Artificial restrictions in trading will not change the tuation. It is to be hoped that the world requirements will be ch that the Canadian crop can be marketed on a larger scale; but not, that country alone cannot make the world's price. It is fficult to predict what effects it will have. Much will depend on the secondary actions Canada will take. She will not increase r sales by trying to boost prices. She may do as France did and ep the futures up, but finally dump the cash wheat at the world's ice. Until we know more about future plans everything will remain guess, and we shall have to await developments.

In the meantime Canadian country marketings are very heavy, 721,000 bushels today. The immediate effect was covering of short eat in Canada, thereby boosting their prices and causing a senmental influence here. Our market also benefited very largely om continued strength in the cash situation. It is true that mills are holding off for the time being as they dislike to pay a big emium over the nearby future which is higher than the more distant e; and the May future is again higher than July. However, it is ly a question of time when consumers will have to replenish their ocks. Receipts are so light that despite this abstinence from ying stocks continue to decrease. Kansas City, Duluth and nneapolis stocks show a decrease of 465,000 bushels so far this ek. Primary receipts were only 300,000 bushels, which amount we ink is probably the lowest on this crop for one day, compared with 7,000 last year. Private experts estimate only a very moderate crease in the wheat acreage with prospects, at best, only fair. course nobody can tell on the first of November what the crop outok will be; but any crop scares this year would be more effective an usual because there are less hedges in the market and a smaller rryover than there has been for many years. The December future s the strongest, although May and July also profited, and altogether e undertone was very strong, final prices showing an advance of 1/8 to 2 1/4¢ over yesterday.

Corn receipts continue to be extremely light, only 255,000 bus. rsus 752,000 last year. Cash premiums are keeping up, causing rticular strength in the December future. Private crop experts ain reduce their estimates on this year's crop, the average being 361,000,000 bus. compared with the government's estimate of 1,418-00,000 bus., or a decrease of 57,000,000 bus. Old corn stocks are so small and there are 1,000,000,000 bus. less available in this untry than there was last year when there was a short crop. In spite this, corn showed only a moderate advance of 5/8¢ per bushel for e active delivery.

Rye and oats also had a strong undertone, closing moderately gher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Nov. 2nd, 1934.

News as affecting cereals was rather colorless today. Although
is a daily occurrence, it is worth-while reiterating over and over
in that receipts of wheat, corn and oats at primary marketsare
eptionally small. Probably nothing like them have been seen since
before the war. The immediate effects are high premiums for the
n articles, and continued strength in the near-by futures.
ember wheat gained on the May again today; and this continued de-
d for the near-by futures on part of shorts or hedgers, gives the
ket a very strong appearance. Outside of that, however, it is
e plain that daily arrivals are not sufficient for the daily con-
ption, and stocks previously accumulated have to be drawn upon.
ary receipts today were only 318,000 bushels compared with 503,000
year; shipments were larger, at 458,000 bu. Stocks at Kansas
y, Duluth and Minneapolis so far this week decreased 738,000 bu,
icating another good decrease in the visible supply next Monday.

The foreign situation also seems reasonably improved. Cables
e not only higher at Liverpool, but also at Buenos Aires; and it
the pressure from the latter market which has upset the world's
es so much of late. Canadian markets have also shown a firm under-
e ever since minimum prices were established, but we consider that
ket in a more vulnerable position until more cash wheat is sold
cleared so that the burdensome stocks might at least be partially
uced. Farmers' deliveries are keeping up very well-- today, 1,311,-
bu; and unless there is a complete change before long we cannot
but think that the Canadian government's estimate on their crop
been greatly under-estimated.

World shipments promise to be much the same as last year, about
00,000 bu. So far we have reports from Russia, India, Argentina
Australia, which countries together cleared 5,770,000 bu this
against 4,139,000 last week. In all probability North American
ments will again be small, as prices to prospective buyers have
n too high compared to those at which merchants of the southern
sphere were offering their wheat.

The strength in wheat, which started right at the opening, kept
more or less all during the session -- the final figures were
p 1 3/8¢ per bushel higher than yesterday.

As far as corn is concerned, there seems to be a scarcity al-
dy on the first or second day, when usually the new crop movement
rts in earnest. Receipts are only 266,000 bushels versus 784,000
ear ago. We think bull speculation would be rampant were it not
the fact that great fears exist among the trade in general, that
harp advance might put us in the import column, and that Argentine
n could be sold to this country to good advantage, at least to some
tern points. It is quite possible, of course, that we shall have
ace importations this year, but perhaps we could not get along
hout them, as the crop is so short. If the government report con-
ms, and we believe it will, the lowered estimate given out yes-
day by private experts, we will be confronted with such reduced
plies for both old and new corn that the greatest economies will
e to be practiced in order to supply the absolute needs.

Oats and rye sympathised with the other cereals, and closed
siderably higher.

The fact that less hogs are in the country, and that those which
e not killed are brought to market with much less weight, all lends
or to the feeling that hog products will also be very scarce, and
visions, especially lard, are destined for much higher prices, we
ieve.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO Nov. 3rd, 1934.

The relationship of the various futures toward each other
so abnormal that in talking of the tendency of the market one
ld amost be compelled to consider each one separately. At the
esent time December wheat is selling at 2 1/2¢ over the May, and
at future at 7¢ over July, making July a discount of about 9 1/2¢
ler the December. If one considers that in the meantime all kinds
premiums are being paid for the cash article over the near future,
is very plain that it is difficult for either the merchant ,
ler or consumer to make long-time engagements. In normal times
cember wheat might sell at 4 or 5¢ under May, and also a discount
ler the July; so everything this year is entirely different from
at it was in years when we raised larger quantities.

The immediate effect of the anomalous situation is the
ndency of everybody to hold off as far as the cash article is con-
rned. Today there were the first signs of a weaker market insofar
premiums are concerned. Arrivals both here and in the southwest
still very small, and offerings very light. Therefore, it is
ficult to express this weakening tendency exactly in figures, but
signs are unmistakable. Should the situation become accentuated
premiums for the near-by futures decline, it might have a tem-
rary effect all along the line, but later on might be all the sound-

Of course, the value of the old wheat has already been more
less determined thru the short crop, and supplies can never be
ndant. Therefore, low prices are not in sight.

Primary receipts were light again today- 309,000 bushels
pared with 473,000 a year ago, when we also had a small crop.
pments were very much larger-- 515,000 bushels. Stocks at Kansas
y, Duluth and Minneapolis so far this week show a net decrease of
,000 bushels, and as we anticipate that various other places also
pped more than they received, we look for quite a considerable de-
ase in the visible supply on Monday.

The weather overnight was extremely favorable over the great-
part of the southwest, with rains reported at many points. In this
ge country it is not expected that every spot would be covered,
we probably shall still hear of complaints in various sections.
ever, in the main the moisture during the last 24 hours must be con-
ered as favorable. It did not have the depressing effect on July
at, as might have been expected, as that future is already selling
a big discount under the May; and with the high prices existing in
southwest for corn, it is not likely that low values can prevail
wheat as early as July, unless we should have a most abundant
ld. At the close the wheat market showed a decline of 5/8¢ per
hel.

World shipments are now expected to be about 1,000,000 bu
ger than in 1933, or a little over 10,000,000 bu. Broomhall esti-
es that the weekly requirements should average 11,253,000 bu;or
,000 bushels more than they have been so far. Should this be the
e, Canada might be able to dispose of larger quantities from now
than heretofore; and this might improve the whole world's situation.

Corn receipts continue to be very light-- 381,000 bushels
sus 806,000 last year-- or less than one-half. Such a light move-
t at the beginning of the crop tells volumes-- it simply is not
re.

Oats and rye declined in sympathy with the other cereals.

Hogs continue to come to market very much under-fed, and it
impossible to produce much lard as long as they are not fed more
ensively. We, therefore, would not be surprised to see a further
ard tendency in all provisions!

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
AGO BOARD OF TRADE
RK PRODUCE EXCHANGE
ORK COCOA EXCHANGE
K COFFEE AND SUGAR EX.
ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

Nov. 5th, 1934.

Cables were reasonably strong today when our session opened, erpool futures losing less than the amount of our Saturday's de- ine. However, before their close they had another setback.

The news from Argentina and Australia was mixed. Both coun- es had some complaints. Argentine prospects are somewhat less orable than a month ago, due to the abundant rainfall this season, ich suggests the possibility of rust. Australia claims damage on ount of grasshoppers, but this does not look serious to us.

World's shipments were very much as expected-- 10,169,000 bus. pared with 9,358,000 bu,the heavy shipments all coming from entina and Australia. North America cleared 700,000 bushels less n the year before. So far North America, which means Canada as United States participated to only a very minor degree, shipped 500,000 bushels of wheat in four months; and if this ratio is increased, we are afraid Canada will be left again with a very ge carryover. However, there are nine months to go yet before raises another crop, and it is possible that from now on she will t other competitors, thereby cleaning up the old stocks to a ger extent than has been done so far.

Up to the present time farmers' deliveries in Canada have unted to almost 145,000,000 bushels, and if we assume that 55,000,- bu. will be used at home, there will be only 65,000,000 bus of at left on the farms, granting the government report, with its imate of 265,000,000 bus is correct. Today's farmers' marketings e again quite fair- 990,000 bus; and if this should continue for length of time without showing a greater dropping-off, we would e to conclude that Canada's crop was very much larger than antic- ted.

The dollar is weakening again and declined to a point today re it almost took $5.00 to buy a pound sterling. This, however, entirely ignored as a market factor, as at the present time it assumed that this is due to ordinary adjustment of trade balances not to any weakening of our credit or fears on part of our italists. Before when our dollar declined so much, one of the tributing factors was a flight of capital on account of the im- iate fears of depreciation of our currency; all of this is non- stent at the moment.

There are hardly any surprises as far as the domestic situa- n is concerned. Receipts continue to be extremely light; but h the short crop nothing else could be anticipated. Primary re- pts were 525,000 bushels compared with 581,000 bushels last year. visible supply decreased 2,379,000 bus versus 2,259,000 a year p and it is now 41,000,000 bu less than it was similar period in 3. Last year there were almost continued decreases from that iod on, and the total decrease when it reached the lowest point, ut the middle of June, was 68,000,000 bushels. Should this year a repetition, our visible supply might decrease to 30 or 35,000,- bu. With the small amount of wheat left in farmers' hands this ld easily happen, but much will depend upon whether July wheat l remain at such a big discount as it is now. In that case, of rse, millers would reduce their own stocks to a minimum first, not draw so heavily upon supplies at terminal points. Therefore, h will depend upon the outlook of the new crop. With prospects an early and abundant movement in July, everybody will hold off, le just the contrary would happen should the outlook be for more est yields. In any case, however, in the early months of the new p year we expect a good demand, because the spring wheat crop will be ready until much later on. Also on account of the high prices feedstuffs, a larger consumption of wheat will take place. ther item which deserves mention is the relative weakness in ember wheat compared with the other futures. It lost about 1¢ per

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bushel -an event which we anticipated, as the great strength in December wheat for the last few days was entirely caused by anxious shorts covering, and it seems unreasonable to maintain such a premium, when carrying charges are the normal condition. At the close the more distant futures gained 5/8¢ per bushel.

Corn showed independent strength during most of the session. Receipts again were very light- only 485,000 bushels against 817,000; and the visible supply showed a decrease of 1,342,000 bushels, whereas last year it increased 1,566,000 bushels; and the total now is about 4,000,000 bushels less than in 1933. It is quite extraordinary to have decreases at the beginning of the crop, but nothing else could have been expected with the light yields everywhere. The close showed a gain of about 1 1/4¢ per bushel.

Oats followed the other cereals only reluctantly. There was a good decrease in the visible supply, and stocks are becoming extraordinarily small, the total being 25,000,000 bushels less than the previous year, and there are only a little over 21,000,000 bushels available at all points. If, furthermore, one considers that the government owns a very fair proportion of the oats stock, having accumulated them for the purpose of distribution for seed to the farmers, it certainly leaves a small quantity for consumptive needs. This particularly so as farmers also have very little left unsold, and hardly enough for their own requirements.

Rye was very reluctant in following the other cereals. A large increase in the visible supply checked all bullish enthusiasm.

UHLMANN GRAIN CO.

MEMBERS:
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RK PRODUCE EXCHANGE
ORK COCOA EXCHANGE
K COFFEE AND SUGAR EX.
ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Nov. 7, 1934.

With the election over, establishing a record breaking victory
the Democrats, and an endorsement of the New Deal to even a more
entuated extent than was expected, all markets were but little af-
ted during the early part of the session.

Inasmuch as the tenor of the utterances of most of the newly
cted ones was very strongly in favor of bringing about greater
sperity through more liberal spending, it might have been conclud-
that fears of inflation would come to the fore again, bringing
ut flight of capital and investments in real property in perference
accumulation of funds in the banks. However, even gold stocks
ctuated very little and certainly were not influenced by any im-
iate fears of further depreciation of the dollar; nor did Sterling
hange vary much from previous quotations.

We conclude, therefore, that the consensus of capitalists'
ling at the present time indicates that the head of our govern-
t will be able to control the more radical elements, and that for
present no great changes in policies are contemplated, from what
already known.

As far as the grain markets are concerned, the great influence
, the strength at Liverpool during our holiday yesterday, and the
pathetic advance in Winnipeg futures, both had gained about 1 1/4¢
ushel over the previous day. This was caused by more rains in
entine districts, where they are not wanted, but as more favorable
ther has set in since, these foreign markets showed some recessions
n the previous advance.

Our wheat market opened somewhat higher in view of this greater
ength abroad, and found it quite difficult for a while to hold
ges, but during midsession, when corn improved in value, and all
r cereals showed a much better undertone, it rallied very quickly,
close showing an advance of 3 cents per bushel.

Sentiment often changes very quickly, and possibly inflation
rs may have had something to do with the very extreme strength the
t hour of the session, as many buying orders seemed to have come
n the financial districts.

The Canadian situation remains rather mixed and uncertain. The
rting world so far is not buying as heavily as was expected. Since
ust 1, clearances to Europe are 2,000,000 bushels less and to ex-
ope 8,000,000 bushels more than in 1933, but the total takings of
00,000 bu more are considerably less than anticipated. Furthermore,
largest contributions came from Argentina and Australia. Canada
alling behind, and in consequence, her wheat position, as of
. 2, was even worse than last year. Wheat stocks at various places,
including stocks in farmers' hands, are 4,000,000 bu more than in
3, the total available being 251,000,000 bu versus 247,000,000 last
r. When it is considered that farmers' deliveries are still quite
r, about 2,000,000 bu for both yesterday and today together, it
arly shows that it will be absolutely necessary for sales from now
o exceed the receipts materially before very long to reduce these
y burdensome supplies to normal proportions. Primary receipts of
at for the two days, of 890,000 bu were somewhat heavier than of
e, but the bulk of the receipts centered in the northwest, and can
y be accounted for through many duplications. We adhere to our
ory that at no time on this crop will receipts be burdensome.

The corn market was firm right from the start, and advances
tinued until near the close, the trade appreciating more and more
t when there is no movement at the beginning of the crop it is not
ly that there will be one to speak of later on. For two days pri-
y receipts were only 573,000 bu compared with 645,000 a year ago.
xpect that inroads on the accumulated stocks will be made almost
ularly from week to week. At the close the corn market was ex-
ely strong.

Oats and rye were sympathetically affected, and closed higher
n sentiment being very bullish.

As we anticipated, prices for lard futures have gained almost
tinually of late, the fact being appreciated more and more that with
s comihg so light to the market, it is impossible to produce much
l; therefore, a moderate scarcity might prevail later. However,
n hogs declining today, and considering the very rapid rise in lard
ces, which makes it profitable again to produce this article, it is
stionable whether this upward movement can continue without re-
on. In the long run, of course, we still feel very favorably to-
l this article.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
AGO BOARD OF TRADE
RK PRODUCE EXCHANGE
ORK COCOA EXCHANGE
K COFFEE AND SUGAR EX.
ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

Nov. 8, 1934.

The financial world has now had 36 hours to digest the re-
lt of the elections, and we believe inflation fears are more in the
endency.

Dollar exchange is weakening in spite of the fact that
eign currencies have troubles of their own. With the change in
ernment in sight in France, ordinarily French capital would seek
uge here were there strong faith in the maintenance of our cur-
cies.

There is no doubt that the majority of the newly elected
ators and congressmen are committed to a great spending policy
no economies are in sight. Our government debt at the present
e, including bonds of subsidiaries and those guaranteed, amounts
$31,700,000,000. It is true there are assets against some of
se bonds, but nevertheless it remains a fact that the obligations
standing are in hands of the banksand investors for all of the
and the same organizations will be called upon to absorb any new
rowings on part of the government direct or by the subsidiaries;
refore, with all of the contemplated expenditure the total debt
ht easily rise to $37,000,000,000 at the end of the fiscal year,
h prospects that further deficits will continue for a long time.

We are such a very rich country that nobody believes in
ontrolled inflation, but yet the trend will be in that direction,
if it finally means higher prices for commodities, it will also
n higher cost of living, bigger wages with increased cost of pro-
tion, greater cost for relief and for running the government,
it will be a vicious circle. There is no doubt that sentiment-
y it will lead to more speculation in commodities, which is al-
s helpful to prices.

There is no doubt that this underlying feeling was a great
p to the market at various times during the session. Otherwise,
continued threat of importations, in spite of the duty of 42¢
bushel andother expenses, shows how different the world situa-
n is from the domestic one. Also the visible supply of wheat
Canada is today the largest it has ever been at either this period
the year or anytime in its history. Starting with December 16,
6, when it was 130,570,000 bu, it gradually grew through the suc-
ding years as follows:

1927	-	166,947,000 bu.
1928	-	230,868,000
1929	-	229,795,000
1930	-	218,225,000
1931	-	200,797,000
1932	-	237,938,000
1933	-	247,184,000
1934	-	251,3[illegible]9,000

rtunately Canadian farmers' deliveries finally showed some dropping-
, today being only 885,000 bushels.

Also the world's visible supply of wheat still shows up very
rge. On November 2, it was 414,000,000 bushels, or only 29,000,000
less than last year when it was 443,000,000 bu. The decrease is
tirely in the United States wheat stocks, which are 41,000,000 bu
ss, all other points showing no material change; and indicates very
ainly that the improvement which has taken place has been con-
ned to the United States.

There is a great deal of talk created at times through re-
rted importations, but we find that total importations of Canadian

(O V E R)

wheat from July 1 to October 27 were 3,781,000 bushels in bond, and 4,414,000 bu for consumption, or a total of 8,195,000 bu. Against this, however, there is an offset in exports this season -- from July 1 to the end of September being 8,947,000 bu, which shows on the balance that we are practically even at the present time.

However, the domestic situation was and still is the main feature, and it remains just as strong as heretofore. Primary receipts were only 320,000 bu today, which amount is very small, although larger than last year when they were 246,000 bu. Shipments were 681,000 bu versus 436,000 in 1933. Stocks so far this week at Kansas City, Duluth and Minneapolis show a decrease of 727,000 bu, indicating another good decrease in the visible supply on Monday.

Stocks of #2 red wheat in public elevators this week were 2,166,000 bu compared with 2,129,000 last week, or 36,000 bu more. This is the second week of small additions to the red wheat stocks, showing that with the December wheat at a premium over May, there is very little going out, and some is put in store. The fact that the demand for this red wheat is so indifferent, contributes to the weakening of the December wheat compared to the May. We would not be surprised if finally December wheat would go to a discount under May. July wheat on the contrary remains strong, as there is still some apprehension regarding the amount of moisture received so far. While it is possible that we may have good rains and snows during the winter time, they are absolutely necessary for the best result of the crop; if not, we shall have many crop scares, and July will be the future which will benefit the most.

At the close there was a decline in wheat compared with yesterday of 1 1/4¢ per bushel.

Corn, oats and rye all sympathized with the weakness in wheat, but the declines were very moderate. Receipts of corn continue to be light, only 368,000 bushels today against 537,000 a year ago. Chicago receipts today include importations of 148,000 bu of oats, and 266,000 bu of rye.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO

Nov. 9, 1934.

Even though many newly elected senators and congressmen are kely to propose various radical measures, it is the consensus that me can be controlled. There is no fear whatsoever of any monetary nkering or further devaluation of the dollar at present. However, prehension still exists of the possibility of other varieties of flation. More time would be required for those to find expres- on in rising values of commodities and stocks, and, therefore, ose markets show no immediate effects of this possibility.

For a long-time view it also should never be forgotten that e 59-cent dollar, which forms our present basis, has never been lly discounted. Furthermore, inasmuch as the same number of ounces gold which are now mined represent so many more dollars than be- re, because of this higher price, a greater base for currency is tablished. Gold production, with few exceptions, is increasing ry fast all over the world. In this way it is expected that the rld's production this year might be equal to $900,000,000 in our ney compared with less than $500,000,000 in previous years. With smaller consumptive demand for arts, caused by higher prices, ac- mulations in the central banks during the next three or five years ght be extraordinarily large. It is quite plain, and from past perience the effect has always been that increasing gold produc- on means higher prices for commodities, just as scarcity of gold creases its value compared with other things.

More consideration was given today to conditions affecting pply and demand. The fact that Liverpool cables did not follow r full decline of yesterday was encouraging right at the start d caused a firmer opening.

Argentine and Australian clearances were very heavy this week, ounting to 7,000,000 bushels, but this was partially offset by ssia not shipping anything and the Black sea only 80,000 bu. The tal of these various countries still amounts to 7,080,000 bu com- red with 5,762,000 last week. It is evident that the world's im- rtations will be heavier than the corresponding week last year en the total was only 9,594,000 bu, and if this continues Broomhall's timates of very much larger world's takings this year than in 1933, ght be realized.

The chief benefit of a better demand would naturally come to nada where an additional outlet is very badly needed. So far from ly 28 to Nov. 3, Canada exported only 54,000,000 bu wheat and flour mpared with 59,000,000 the year before, and if the crop at ast as large as then, greater export business will be needed to event a tremendous carryover at the end of the season.

Canada's marketings today are still large, at 902,000 bu. This ternoon their government will give the latest estimate on yields l we would not be surprised, judging from the heavy marketings so r, if the crop would be larger than has previously been estimated. ere also will be a crop report coming out this afternoon on corn, ving the latest estimated yields, and on such days, trade is usual- very light. Today was no exception.

Primary receipts were somewhat heavier today- 480,000 bu com- red with 346,000 last year, but in analyzing the receipts we find at Chicago is getting more than its share, but the wheat which arriving here is just transit shipments for Buffalo. A great l of this wheat is coming from Omaha and Kansas City, the north- st not being able to supply the Buffalo mills, as in former years, account of their short crop. Stocks continue to decrease very avily; so far this week Kansas City, Duluth and Minneapolis de- eased 967,000 bu, and we look for a good decrease in the visible pply next Tuesday- Monday being a holiday.

There were a good many dry weather reports coming from a very le territory, particularly western Oklahoma, western Kansas and

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western Nebraska. As far as Kansas is concerned, it covers a territory with a large amount in acreage. One should not be unduly alarmed, this being so early in the season; however, the foundatio is laid for greater crop scares later on.

There also was an unusual occurrence today, viz., importations of 9,000 bu of French wheat in bond at New York. Probably this is the first time in history. It is certainly surprising when it is considered that France probably has not one-tenth of the territory that we have, that it furnishes the world with all kinds of wines, almost raises enough feed for its animals, and yet this year should export wheat all over. The transaction itself is otherwise not very significant, and nobody knows whether the wheat will finally be re-exported in the way of flour to Cuba or Mexico, or be consumed here after paying 42¢ per bushel duty.

Wheat at the close showed an advance of about 1/2¢ per bushel

Corn was strong from the beginning to the end of the session, receipts being only 278,000 bushels compared with 551,000 last year Shipment were much larger, and premiums are very strong. If such a condition exists at the start of the crop movement, when there should be accumulations, it is clear evidence that we will have to figure with decreased stocks at terminal points right along. This cereal is is acting very well.

There was some liquidation in oats, preventing higher prices.

Rye, however, did better and showed some improvement.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
N YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

November 10, 1934

If past experience is any criterion, rising prices were rought about when any of the four following conditions existed: irst, devaluation of currency; second, increasing budget deficits, ausing fears leading to speculation in commodities, real estate, tc.; third, artificial raising of wages, causing increased cost f doing business, and compelling increased selling prices; fourth, arger gold production, making this commodity cheaper and other rticles higher comparatively. It is very seldom that all four con-itions exist at the same time, as they do at present. As an off-et, there is to be considered the great poverty among the people f the largest part of the world, causing world deflation and de-reased buying power. Also the high structure of debts, tending in he same direction. Nevertheless, we think, even if the offsetting nfluences are taken into consideration, the first-mentioned items re so much stronger that in judging values of cereals, much at-ention must be paid to these conditions. There was more interest hown today in both gold and metal stocks, showing that gradually ore hedging against inflation is taking place.

There was very little news overnight to influence the arkets. The Canadian government issued a new crop report giving ts estimate of the wheat yields this season, but it hardly varied rom the previous one,making only a 2,000,000 bu reduction from the mount expected last month. There also was a government report on orn by the United States Department of Agriculture, but the result ad been anticipated before; therefore, its effect was only moderate. he fact that there will be a Sunday and a holiday between this ession and the next tended to decrease trading. This all brought bout only very small fluctuations and at the close the market show-d hardly any change compared with yesterday.

Receipts continue to be very light- 344,000 bu, while hipments were 827,000 bu. No comparison can be made with last year hen there was a holiday. The consequences of these continued light eceipts are further in-roads in our stocks; Kansas City, Duluth nd Minneapolis so far show a decrease of 1,532,000 bu, and another ood-sized decrease in the visible supply is anticipated, probably arger than last year comparable period.

The weather continues to be dry in those parts of the outhwest where moisture is badly needed, which keeps the July fu-ure comparatively strong; and continued dryness for an extended eriod would be quite a bullish factor after a while.

The corn report showed expectations of the smallest crop ince 1881, over fifty-four years, and needless to mention how much urpopulation, both human and animal, has increased since then. hen the report is analyzed closely, it makes an even more bullish howing, inasmuch as the great surplus states: Iowa and Illinois, how a tremendous deficiency compared with last year, and it is ifficult to see from where the terminal markets can draw much of heir needed supplies.

Primary receipts continue to be light- only 314,000 bu, nd we look for another decrease in the visible supply on Tuesday, lthough there was a small increase last year at this period.

Oats and rye were comparatively neglected, with small luctuations, although rye closed somewhat higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
AGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Nov. 13, 1934.

The whole business world, including the various chambers of mmerce, have been clamoring for a statement from our President to e effect that there will be no further tinkering with monetary tters and that the dollar will not be further devalued. This, wever, was politically impossible for the administration to com- y with, because it would have antagonized all the inflationists, e number of which is still very great.

The new order now given permitting the free export of capital, wever, serves the same purpose. It is a very clear indication at there are no intentions at the present time to further reduce e contents of the gold dollar of their own volition, and there- re, ought to contribute to greater stability of foreign exchanges. wever, while this must be construed that the immediate devalua- on scare is over, no one can feel too confident that the present ld parity of the dollar will endure forever as long as extra- dinarily large expenditures continue, and there is certainly noth- g in sight to indicate a decrease for the next two years.

The immediate effect was the advance in the price of silver th at Montreal and London, as American capitalists now can buy is commodity on these foreign exchanges since our market for same closed here. It also had a depressing effect on wheat futures at verpool, the reason being that higher silver prices make it more fficult for the oriental nations, which are still on a silver basis, buy this commodity except at enhanced prices.

There were other reasons, however, during our holiday for the akness abroad - Argentine wheat crop seems to be progressing nicely, imulating liquidation in Liverpool December wheat, which declined much as 2 5/8¢, and it necessarily affected all the other futures; wever, they did not suffer quite so much, but final quotations mpared with Saturday were 1 1/2 to 2¢ per bushel lower. This is l the more remarkable in view of the fact that instead of there ing six big exporting countries as there were before, this number s practically been reduced to three, at least for this year. ssia, the Balkan countries and the United States may be ignored r all practical purposes as being exporters of wheat until another op has been raised.

Out of the total world importations this past week of 12,429,000 shels, 11,309,000 bu was furnished by Canada, Argentina and stralia; 1,000,000 bu came from sundry countries, of which pro- bly France supplied a great deal, but this is not an ordinary move- nt, and is a government transaction, they dumping wheat wherever ey can to sustain an artificially high price at home.

The world shipments for the past week were 3,000,000 bu more an in same week of 1933 when they were 9,594,000 bu, and it is atifying from the point of view that apparently the demand this ar from the importing nations will be greater than last; however, e low prices which are existing abroad, particularly emphasized in tterdam futures, which are only a trifle higher than the lowest int they have reached during the depression, show plainly that any vance in values here must come through the strong domestic situa- on. We might have some sentimental help from abroad should their tuation improve, but otherwise we must rely chiefly on our own de- nd overtaking the new supplies from farmers and gradually reduc- g our stocks to a very low point.

There are some indications of heavy wheat feeding in territories ere corn is scarce and high, and primary receipts continue to be tremely small. There were only 554,000 bu for practically three ys- Sunday and Monday intervening, and the visible supply showed other large decrease of 2,652,000 bu, about 800,000 bu more than 1933. The total stocks at terminal points have now been reduced

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to 98,000,000 bu or 41,000,000 bu less than last season. It is quite apparent that these accumulations from previous years will be drawn upon more and more as time goes on, and that finally stocks left at the end of the season will be smaller than they have been in many of the past years.

Wheat prices here as well as in Canada sympathized to some extent with the weakness abroad during the greater part of the session. However, when corn finally took an independent stand and showed continual advances, wheat followed suit, and closed 3/8¢ per bushel higher than Saturday's final figure.

Reports over the holidays from various places in the country show that corn is a very scarce article, even in many of the surplus states; and that even trucks find it difficult at places to obtain sufficient supplies. Primary receipts were 873,000 bushels, but considering that this amount is practically for three days, the movement should not be considered as anything but small. The visible supply decreased again 1,735,000 bushels, whereas last year it increased about 60,000 bushels; the total now amounts to about 55,000,000 bushels, and is 5,500,000 bushels less than in 1933. With very few exceptions we look for further weekly decreases in the visible supply; and in consequence, a strengthening of the situation. The close was the highest point reached in some time, being 1 7/8¢ per bushel over Saturday.

The oats visible showed an increase of 680,000 bushels, probably accounted for by importations during the week; but the total is still about 25,000,000 bu less than the previous season. Oats also derived some benefit from the advance in corn, but speculation is light, and it seems difficult to boost this cereal at the present time for fear of further importations. Nevertheless, we believe that finally this cereal will sell much higher.

Rye gained some in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

November 14, 1934

With the total removal of all restrictions for exporting capital, ny illusions have been destroyed. The desire for hoarding gold road will lose its charms since the permission for it exists, and must be assumed that this step would not have been taken by the vernmental authorities should they wish to devalue the dollar fur- er in the near future. The last time before such a step was taken, l the gold was commandeered and the opposite measures were resort- to.

The romance which was attached to gold stocks for the purpose getting rich quick has also disappeared, and commodities as well e left for the present to their own conditions for establishing eir market.

Wheat opened under the influence of very weak cables, and while times it derived some strength from the bullishness of corn, it s found difficult to maintain yesterday's values and the close owed a decline of 1/2¢ for the day.

The domestic news continues to be cheerful. Primary receipts re only 253,000 bu, probably the smallest any day so far on this op, and the shipments were 1,043,000 bu. Stocks continue to de- ease, and so far- the first day after the visible supply was pub- shed (yesterday)- there are decreases in Kansas City, Duluth and nneapolis of 401,000 bu, indicating further inroads on our stocks terminal points.

The fact that December wheat is still remaining at a premium er May wheat has the effect of attracting some No.2 red wheat to olic elevators, and the stocks here again increased 62,000 bu, king the total available for deliveries 2,228,000 bu. While this not a very large quantity for a big market like Chicago, never- eless if a good percentage of same should be delivered on Decem- r contracts, it is hardly likely that the wheat will be lodged strong hands, because with the carrying-charge of 7 1/2¢ for orage along, from December to May, plus interest and insurance, is likely to prove unprofitable for any holder to assume this rden. We are, therefore, inclined to believe that with more quidation in December wheat, there will finally be a discount for me under the May future.

Canadian farmers' marketings are still quite fair, being 7,000 bu for the day compared with 877,000 bu last year.

Corn was again the cereal which aroused most interest. The ct that it is well known that our production this year was so much aller than normal consumption, and that an actual scarcity would ist, were it not for the fact that the high price level will nally compel great economies, makes the purchase of this cereal attractive proposition for many. Primary receipts were only 9,000 bu compared with 1,495,000 bu last year, and shipments were 046,000 bu compared with 368,000 bu in 1933- a clear indication w different the situation is now than it was then. However, in ew of the very large advance just brought about yesterday, there s great temptation to make realizing sales for profits, and the ose showed a small decline compared with yesterday of 3/8¢.

Another cargo of oats was received here yesterday, 304,000 , on which duty had been paid, and this continued importation s a sentimental effect temporarily, but the grain coming in seems be well absorbed and at the close values had shrunk only a frac- on. There was some liquidation going on in December rye and the ar-by future is losing ground on the deferred one. There is little terest shown in this article at the present time, and fluctuations re small and unimportant.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

Nov. 15, 1934.

Today's action of the market showed more clearly than it did
r some time how strong the inherent situation is,and how dangerous
e results are to pay too much attention to foreign news. Before our
ssion opened we had a number of cables (and others undoubtedly had
e same), pointing out the efforts which are being made to export
reals to the United States, particularly corn from the Argentine.
have repeatedly called attention to the fact that in view of a
ort corn crop --about 1 billion bushels below the average, an oats
op of 500,000,000 bushels less, a deficiency in hay, milo maize,
ffir corn, etc., any moderate importations, which is all that is
oked for at best, would not change the picture very materially,
d could not make up for the great deficiency which exists. Never-
eless, reports of same always have a sentimental effect, which was
lt at the opening, and there was no indication of what happened
ter. Not only all the decline which occurred at the opening was
covered, but the close showed a substantial advance. As far as
rn is concerned, the highest prices for several months were reach-
.

More important than anything else are the continual small re-
ipts; in consequence of which there is no new pressure whatsoever
om farmers' sales; and with decreasing stocks, and the taking-off
hedges, longs have to be coaxed into supplying futures which are
nted for this purpose, thereby bringing about advancing values.

It,therefore,seems as if it would be a better policy to watch
e home situation more than the foreign one, as we admit the latter
ill remains unsatisfactory. Statistically, there is very little
provement abroad. The world's visible supply of wheat on Nov.9,
s 412,000,000 bu, only 26,000,000 bu less than the preceding year,
mparable date. When it is considered that on account of the
ort crop in this country, the United States' visible supply is
,000,000 bu less, it is quite clear that all the improvement came
om this country, virtually all the others showing larger stocks
an in 1933. The Canadian visible supply is 250,000,000 bu com-
red with 247,000,000 bu, which indicates very conclusively that
at country has made no progress whatsoever.

According to Bradstreet, last week's clearances from North
erica were again light, 3,400,000 bu versus 5,200,000 bu the year
fore; and so far on this crop 7,000,000 bu less have been shipped
road. The total since July 1st, 1934, from the United States and
nada, of about 68,500,000 bu, is inadequate from the point of
ew that on as short a crop as Canada had this year, a reduction
ould be made in the large carryovers accumulated in previous sea-
ns, there always being the possibility that next year Nature might
more generous and give bigger yields.

Total importations from Canada into the United States, from
ly 1 to November 3, amount to about 8,500,000 bu, which probably
ll be offset by an equal amount of exports, as some of the wheat
milled in bond here and not used for home consumption.

Both Argentina and Australia estimate this year's production
nsiderably below 1933. The latest estimate for the Argentine crop
225,000,000 bu compared with a five-year average of 240,000,000
, and the bumper crop of 286,000,000 bu last year. The most re-
nt estimate for the Australian crop is about 137,000,000 bu, which
obably would give them an exportable surplus of about 80,000,000
at the outside. Taking it all in all there is no such over-abund-
ce in sight as in previous seasons, particularly as Broomhall
ill adheres to his theory that the total of European and ex-European
quirements will be greater as time goes on.

However, we must concentrate on the fact that domestic re-
irements compared with what we raised will finally count. Wheat

receipts were again only 348,000 bu against 460,000 a year ago. Stocks continue to decrease, and so far this week at Kansas City, Duluth and Minneapolis show a decrease of 300,000 bu.

There have been no further rains; and while there is plenty of time for moisture, every day that passes without precipitation will create a more bullish feeling and endanger the new crop prospects. Should this period of dryness continue for some time, it might become the most important factor.

At the close the wheat market showed an advance of 1 3/8 cent per bushel compared with yesterday.

While there are still both bears and bulls in the wheat market, the feeling in corn is almost unanimously on the constructive side. The more the season advances the more apparent it becomes that the corn crop was so short that it is not sufficient for norma demands; in fact, even less than for sub-normal requirements, and only the most stringent economies will enable us to get through without hardships, to feed the animals which are still left, and to supply the absolute needs for commercial purposes. Receipts were only 278,000 bushels against 668,000 a year ago.

Oats and rye also benefited from the strength in the other cereals and closed much higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

November 16, 1934.

Inflation fears, which have played such a large part in peculative grain commitments during the last twelve months or more, e no factor whatever at the moment. It is most unlikely that any rther devaluation of the dollar will take place either now or ter. Credit inflation, which is still in the air on account of rge governmental expenditures, will take too long a time to as- rt itself to have any immediate effect. The actual devaluation ich has already taken place, and which gives us a 59-cent dollar, doubt in course of years will give us an entirely different rice level from what would have prevailed otherwise, but as the me element is so important in any speculation, this also must relegated to the future.

The chief influences at the present time are the extraordinarily ak wheat price structures all over the world compared with the ited States, and then, of course, the question arises whether our mestic situation is strong enough to withstand it, in spite of the ought and very short wheat crop. It is quite certain that all the vantages we possess through the fact that this year our crop is 0 million bu less than our normal consumption will be lost, should xt year's harvest again be normal and give us an exportable sur- us. Nothing could then prevent price declines to a point which uld conform to the world's level, except intervention by our vernment agencies which could buy up the surplus, and either store me or export it through subsidies at a loss; therefore, the wea- er later on will be very important. In fact, the lack of subsoil isture in very large parts of the southwest which has existed for number of years, has not yet been relieved, giving encouragement the bull at the present time that extraordinary as it may seem, other poor crop might follow the two preceding ones. However, st at the moment this is only a hope. because certainly no one is a position to figure that we might not have good snows or rains ring the winter and early spring, in which case much of the damage ich has been done might all be repaired, and it is too early to lculate that the poor outlook for next year's harvest will be alized.

It also should not be forgotten that the Canadian crops of 33 amounting to 283 million bu., and in 1934, 275 million bu. were e smallest since 1925. During this period they had crops as large

479,000,000	bu	in 1927
566,000,000	"	" 1928
420,000,000	"	" 1930
443,000,000	"	" 1932

d during all these years from 1925 on, none was so small as those the last two seasons.

Furthermore, if reports are correct, it is contemplated that ssia will do away with bread cards, showing amelioration there; d it is not yet safe to calculate that Russia has permanently dis- peared as an exporter.

Therefore, should the world outlook be promising next spring, will have a tendency on part of every miller and baker to reduce is stocks to an absolute minimum awaiting a different price level 1935.

We have given this side of the picture because with Liverpool ecember wheat selling at almost 30¢ per bu lower than ours, and with innipeg May wheat selling about 17¢ per bu cheaper than the United tates futures, there is bound to be an adjustment sooner or later ould we ever be dependent again for an outlet of an exportable rplus.

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It is, therefore, not surprising that European reports cast a shadow over what otherwise might develop into a rampant bull fever, and reactions such as we had today are bound to occur from time to time. This, in spite of the fact that at present domestically everything seems very favorable.

Primary receipts of wheat continue to be light- only 388,000 bu compared with 473,000 a year ago; and stocks so far this week at Kansas City, Duluth and Minneapolis show a decrease of 1,397,000 bu.

A somewhat stimulating feature today was the great strength in December wheat, which gained easily 1/2¢ per bushel on the further deferred futures. There is continued nervousness on part of shorts, and when it sometimes happens that a few of them wish to buy at the same time, the price is easily influenced. However, the open interest in December wheat last night was still over 36,000,000 bu, indicating that there will be more or less liquidation right along until delivery day; and when a few of the anxious hedgers are provided for, the difference between the two futures - December and May - might narrow again.

The weak cables today were caused by heavy shipments from Argentina and Australia; and these two places, together with the Black sea, furnished 5,519,000 bu against 3,666,000 in 1933.

At the close there was a decline in wheat of 7/8¢ per bushel compared with yesterday.

Corn, which normally is a domestic proposition, is also not entirely free from foreign influences, because despite heavy duties, there is always the continual danger of importations. The latest news brought reports that Canada has shipped 600,000 bu of low-grade wheat for feeding purposes. We, ourselves, feel that importations of corn on a large scale should not have the same disastrous effect as similar transactions might have on wheat, because a feed shortage such as we now have cannot be corrected by the amount that might be brought from foreign countries. It is also well to consider that all substitutes which can be used for corn are very scarce, such as hay, oats, barley, kaffir corn, milo maize, etc.

Receipts keep extremely light - only 312,000 bu versus 964,000 the previous year, and premiums are well maintained. The near-by future in corn was the strongest today and it is assumed, with the very light receipts, that elevators will make but few deliveries, if any.

Oats remained practically unchanged, but rye was somewhat lower in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

November 17, 1934

The wheat news overnight was rather discouraging to the bull. erpool cables were lower; and even Buenos Aires, where wheat has been ling below that of any other competitor, reduced her prices again. thermore, precipitation was reported in the Panhandle of Texas, h predictions of rain tonight and Sunday for all states. The week- forecast also indicates more moisture than we have had for some e. As we pointed out repeatedly, the weather from now on will be ery important factor, but more than moderate rains are needed to ieve the situation.

All this news had very little effect on our market, except t the new crop futures suffered more than the old ones, and also declines were sharper in the southwest than here, as they are rer the scene. Great expections had been held by bulls in that ritory that we might have at least crop scares, if not another p failure through drought.

It is still a long time until the new crop is harvested, and h can happen either way. There will be many ups and downs before can come to a positive conclusion as to the 1935 wheat yields. the meantime, the shortage of this year's crop asserts itself conually, and very often quite unexpectedly. It has been demonstrated t it will be difficult to depress the market without any new prese. Sales for futures can only come from those who own them at the sent time, as instead of new hedging sales, there is a removal of lges all the time, in consequence of a steady reduction in stocks. is quite likely that the visible supply from now on will decrease ther 60,000,000 bu before it reaches the lowest point; and to t extent the inherent situation will become stronger.

Primary receipts of wheat today were 498,000 bu compared h 461,000 bu last year; and shipments were actually larger- ,000 bu. Stocks at Kansas City, Duluth and Minneapolis so far this k show a decrease of 1,688,000 bu, indicating a good decrease in visible supply on Monday.

There is a great deal of talk now of importations, and possi- a million bushels of No.6 Canadian wheat have been purchased for is market. It is assumed that this wheat will be used for feeding rposes, and will receive the benefit of a lower duty. But, even this is the case, it will add to the wheat supplies, as the intion is to sell it mostly to dealers for poultry feed, when orarily home-grown wheat would have to be used.

This continued strength in corn and other cereals is a techal help to the wheat market. Receipts of corn continue to be ght and we do not see how the situation can ever change on this p. Today they were only 433,000 bu versus 986,000 in 1933. The ket was higher again in spite of many realizing sales, and hedging corn for importations from the Argentine. There is quite a proility that as time goes on, importations will increase, but the rtage of this cereal is so great and the need for additional supies so urgent, that it may overcome all these obstacles.

Oats and rye were also strong and higher in sympathy with tendency of the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Nov. 19, 1934.

The fact that the Belgian government, or the central bank in
at country, needed assistance from here, may be very significant.
certainly shows a weakening of the least strong member of the gold
oc, and if that link is ever broken, it may affect all of them.
all remember that long before England went off the gold basis she
ied to prevent, through borrowings, what she considered would be a
lamity. Loans, naturally, are always the first step when in dis-
ess.

Since greater faith now exists in the maintenance of our cur-
ncy, and the belief that our dollar will not be further devalued,
new movement of importations of this precious metal had started.
nsidering the fact that we are still a big creditor nation, have
large trade balance in our favor, and send less remittances abroad
r charitable purposes, we shall probably continue to attract gold
d weaken currencies abroad. Should there finally be a devaluation
foreign countries, it would create more or less inflation there,
as our commodities now are being exchanged for a dollar which con-
ns only 59 cents compared with what it did before, looking further
o the distant future, it can only mean a higher level of prices
re than otherwise would prevail. It is this underlying situation
ich can never be entirely lost sight of when guesses are made as to
ure prices of cereals.

The weakest part of the wheat structure is still the foreign
uation. World's shipments this week were only 10,384,000 bu -- a
ifle more than in 1933 when they were 10,128,000 bu-- but the sad
t of it is that North America out of this great total shipped only
ittle over 3,000,000 bu against 5,500,000 last year; consequently
ing inadequate relief to the Canadian situation.

A further important item is the fact that other countries out-
le of the big exporters cleared 1,784,000 bu versus 968,000 in 1933;
ding to the conclusion that France is still dumping wheat wherever
can find an outlet.

We also had overnight a most favorable weather map. There were
wers light to heavy very generally over most of the country ex-
t western Kansas and western Nebraska, where but little occurred.
ications are for more unsettled weather with showers almost every-
re. This brings great relief to many districts and at least hopes
t not all has been lost yet, and that a normal crop in 1935 is
sible, providing weather conditions later on should be favorable.
would be too early to count on a failure.

Nevertheless, our wheat market during most of the session show-
a very firm undertone, caused by the continued light receipts
unting to only 449,000 bu compared with 678,000 last year, and
re is absolutely no pressure from any new source and hedgers are
pelled to reach out in buying futures whenever they make any cash
es.

The visible supply decreased 2,348,000 vs. 2,439,000 bushels the
vious season, and our stocks are now approximately 42,000,000 bu
s than they were last year. After this period in 1933 our visible
ply stocks decreased 64,500,000 bu until they reached the lowest
nt on June 16th. Should this be repeated this year, and we see
hing in sight to prevent it, our visible supply would decrease to
ut 30,000,000 bu, which would be the lowest in a long period, and
tainly would not be burdensome at all.

On account of the rains, July wheat was comparatively the weak-
, but when we consider that this future at Kansas City is selling

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now at 90 1/2¢ per bushel and their December corn is selling at 88 1/4, or only 2 1/4¢ per bushel higher, it is quite evident that pound for pound wheat in July, if there is no material change in quotations, would sell lower than corn. This would give feeders a chance, for about four months, until the new corn crop is harvested, to substitute wheat for corn, which would increase the wheat consumption tremendously and possibly, at least during the early movement of the crop, prevent very low prices. After many fluctuations and a fair trade, the market finally closed unchanged to 1/4¢ higher.

During the whole session the strength in corn was a distinct help to bullish sentiment and influenced all other cereals. It is now quite plain that regardless of price level there will be an acute shortage of corn before another crop can be harvested. This, in spite of the positive knowledge that more or less importations will take place; but in our opinion they will be absorbed so quickly that they will be hardly noticeable, and quantities will not be so large that they can relieve the situation materially.

According to reports given out some time ago by the AAA, loans on old corn had been reduced from 270,000,000 bu to about 20,000,000 bu, and by this time they must be close to the zero point. It was this corn accumulated in the country that had increased the movement at times and added to our visible supply. With this out of the way, receipts are bound to be extremely light and the old accumulated stocks will disappear very quickly. Today receipts were only 468,000 bu compared with 1,459,000 bu last year. The visible supply showed a decrease of 1,418,000 bu, reducing the total to 53,000,000 bu, or about 5,700,000 bu less than in 1933. At the close the market showed an advance of 1¢ per bushel.

The visible supply of oats showed an increase of 161,000 bu, this being caused through importations. Again today Chicago received 95,000 bu. on which duty was paid. However the total is still 24,000,000 bu less than last year with the outlook very poor for large arrivals at any time during this crop year.

Rye stocks were augmented, as those of oats, through importations, receipts being 371,000 bu. However, it seems consumption is taking care of all this. The market closed about 1¢ per bushel higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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UHLMANN GRAIN COMPANY
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Nov. 20, 1934.

The country has been favored again with wonderful rains in
ny places. It would be premature to say that the entire winter
eat area has been relieved because there are some districts, partic-
arly in western Nebraska and Kansas, where moisture is badly needed.
wever, it seldom occurs that prospects in every part of the country
e equally favorable because in such a large country there are al-
ys spots that are less promising than others. We feel, however,
at conditions are more nearly normal than they have been for some
me, although of course much will depend upon further fall climatic
nditions and whether we shall have a reasonable amount of snow dur-
g the winter.

It is difficult to express in dollars and cents what good crops
e coming year might mean to the farmer and consequently to the whole
untry. We still believe in the old fashioned theory that good
ops increase the wealth of the country. We are quite sure that a
ntributing factor to the small car loadings this year was the
all yields of all cereals, in consequence of which the movement of
ain was very limited. Many other businesses have suffered in
mpathy, such as the country elevator concerns, also labor, for it
only natural that less help is required for seeding and harvesting
all crops. This coming year, particularly, a good crop would be
tremely desirable as it also would be bound to bring comparatively
od prices for the farmer; and the combination of good crops and
ir prices would be highly beneficial.

When our 1935 wheat crop comes to market the story will be
ite different from the past few years. Instead of having a carry-
er of 400,000,000 bu as we had two years previous, we will pro-
bly have only 150,000,000 bu to contend with, and this will also
about 150,000,000 bu less than we carried over on July 1, 1934.
erefore, there may be many holes which may have to be filled with
supplies instead of the new crop competing with the carryover,
was the case the past two seasons.

Just imagine how all the arteries of business might be benefit-
by large crops and good prices. It is well to remember the year
1897, when wheat prices increased from 60¢ to $1.70, ending at
out $1.35, affecting all commodity values in sympathy. It was
nally called the McKinley boom, but it really was nothing but a
flection of better agricultural conditions. Similar experience
uld be cited in 1925 when sharp advances in grain prices brought
out another great recovery.

The combination of better weather and weak cables was too much
the wheat market to withstand, and it closed 1 7/8¢ lower than
sterday. The foreign situation shows no improvement whatsoever.
re it not for the fact that domestically we are reasonably inde-
ndent, our price levels certainly would look high compared with
balance of the world. Argentina and France both seem to be mak-
g the greatest selling efforts, while Canada is still holding back.
total movement from North America since July 1st, or in almost
ve months, is only 80 million bu. compared with 92 million bu in
33, or 12 million bu less; while during the same period Argentina
cleared 24 million bu more. Farmers' marketings are decreasing
mewhat in Canada, being only 674,000 bu today; but it becomes quite
dent that she must meet the world's prices or be confronted with
remendous carryover the coming year when crops might be much
ger, and then be a disturbance to the price level in competing
kets.

The domestic situation remains the same-- very strong. Primary

(OVER)

receipts were only 346,000 bu compared with 641,000 last year, and the first day after the visible supply was given out, there is a decrease in stocks at Kansas City, Duluth and Minneapolis amounting to 238,000 bu. It is this continuous draft on terminal stocks that gives us a reasonably sound foundation for the present and brings about rallies from time to time on natural conditions.

The fact that corn and wheat are selling so close to the same price also undoubtedly adds largely to our consumption, much more wheat being fed to animals. On June 5th of this year July wheat was 1.00 3/4 and July corn was 56 3/4, or a difference of 44¢ per bu. Today July wheat closed at 92¢ and July corn at 82 3/8¢, or a difference of 9 5/8¢ per bushel. The movement of corn remains extremely light and this holds true whether markets advance or decline. Today's primary receipts were only 368,000 bu compared with 940,000 last year. Premiums are as strong as ever, and the decline of today's market was entirely in sympathy with wheat.

Rye was subjected to liquidating sales and broke about as sharply as did the leading cereal.

Oats could not withstand the general bearish sentiment that prevailed and declines were fractional, with the July future leading the decline, probably influenced by the additional rains, which have improved soil conditions generally.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO Nov. 21, 1934.

The wheat news overnight was again discouraging for the bull ader. The country has now been favored with beneficial moisture r the last three days, and soil conditions generally have greatly im- oved. Europe also cabled that the French cabinet unanimously ap- oved the Premier's plan to scrap the government's price-fixing wheat; a measure will be introduced in the chamber of puties to absorb, either by storage or export, the 73 million bu. wheat held over from previous crops. This will mean further dump- g of wheat on part of France, a country which in the past had been garded as an importer rather than an exporter of wheat but through tificial devices had changed its position. This was done at a eat cost to the government and benefited the farmer only for a time, cause finally it caused such an over-production that a fixed price vel could not be maintained. On sober thought, in the end this ght to be constructive. It was known right along that the big rplus existed and had to be moved sooner or later, as it was hanging er the market. The fact that the French government discovered s mistakes and is trying to correct them by no longer interfering th price-making, and not holding out undue hopes to the farmer, will nally adjust the French wheat acreage to where it was before arti- cial means were used.

This coming so close to similar actions taken by the Argentine vernment, leaves only Canada as the sole country where government encies buy and sell wheat and try to hold wheat prices artificially y above the world's basis. It is not likely that government will nally succeed any more than did the others; in fact, we think nada is in the most vulnerable position. They antagonized their st customers, English millers, who like the quality of their pro- ct, but on account of excessive prices which were demanded, were mpelled to change their machinery and are now using as small a per- ntage of Canadian wheat as is possible. They really cannot be lmed very much when we look at prices quoted (in Canadian funds) by oomhall at Liverpool for cash wheat on November 14th, as follows:

#2 Northern Canadian wheat, from	86 3/8 - 89¢ per bu.
Argentine wheat	63 1/8¢ but upon which duty of 5 or 6¢ a bushel will have to be paid.
Australian wheat, from	65 to 70¢
French wheat	74¢
Russian wheat	60¢

n granting the superior quality, it is quite evident that Canadian eat is much too high. When it is further considered that farmers' iveries of wheat there from August 1 to November 16, were 155,000,- bu, and up to date about 158,000,000 bu, out of a crop of ,000,000 bu. there would be left only 105,000,000 bushels to ac- nt for. It is generally assumed that about 55,000,000 bu are d in the interior for seed and otherwise, so there could be only ,000,000 bu left in farmers' hands, on the assumption that the crop not been under-estimated.

Today's deliveries were again 630,000 bu and unless there is a h sharper falling-off very soon, it is quite evident that the p was much larger, and if so, it is no exception to what has been rule for the last number of years --the crop usually turning out ter than anticipated. On top of all this, Bradstreet estimates t exports this week from North America were only 2,156,000 bu com- ed with 5,452,000 a year ago. We doubt if ever in post-war history e clearances so small from North America at this period of the son.

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Ordinarily such conditions would have almost demoralized our market, but the fact that the total production of all cereals in this country, including carryovers, is so small this year, and consumption is above normal, it is quite possible, until another crop is harveste that foreign conditions may be ignored and a strictly domestic basis might be considered.

There are some points in western Kansas where corn is now 15¢ per bushel above the value of wheat, and taking into consideration the fact that wheat contains 60 lbs. to the bushel and corn only 56 lbs., there is unquestionably lots of wheat being fed everywhere in the southwest. How much it will aggregate, is difficult to tell, but with the shortest wheat crop on record in recent period, we shall have to contend with a consumption through the use of wheat for animal feeding on a much larger scale than last year.

At the close the wheat market had declined only 1/8¢ per bushel compared with yesterday.

Corn, which usually acts in sympathy with wheat, could not be disturbed today, and the explanation is very easy. Primary receipts were only 255,000 bu versus 1,519,000 last year, and shipments were 685,000 bu. against 479,000 in 1933. Therefore, the total difference in results for one day is almost 1,400,000 bushels.

Corn in Kansas City is selling at about 5¢ premium over their future, or 93¢, and about 8¢ per bushel higher than our May future. With this situation existing we think that a large part of the Iowa corn movement will go to the southwest, and will not be available for this market. We shall hear of importations from time to time, but we think that whatever quantity of corn will be available from other countries for this market can easily be absorbed. Theoretically, if the total amount of corn which is raised in the Argentine were added to our crop, it would still make a very small one; and of cours the surplus from that country is largely needed to feed animals in Europe.

Oats also afford remarkable new records for smallness in primar receipts -- only 75,000 bu were received at all primary markets, and the outgo was 141,000 bu. It is quite evident that there will be practically no movement to speak of for the balance of the year, and many places will depend entirely on importations. The seriousness of the shortage will probably not be felt until colder weather sets in, and it will then increase the demand.

Rye closed considerably higher in sympathy with corn and oats.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

November 22, 1934

Liverpool cables were considerably stronger today and closed bout 1 1/2¢ per bushel higher than yesterday. Rainy weather, ith the near approach of harvest in the Argentine, is causing ome concern abroad. The fear that France might dump larger uantities of wheat on any improvement in values, is a partial ffset against bullish sentiment. However, the foreign price evel is so low, and the deflation has been so severe, that with ny encouragement foreign markets ought to do better.

Since August 10, this year, when both Liverpool futures and urs reached their peak, we declined about 15¢ per bushel while hey lost 30¢. In making comparisons with prices of other years, t is very difficult to arrive at accurate statistics on account of he fluctuating exchanges everywhere and the devaluation of cur- encies. However, if measured by gold, it is safe to say that an unce of this precious metal would today buy abroad about, if not xactly, as many bushels of wheat as it did at any time during the ast 350 years. In spite of this, nothing was accomplished at the orld's wheat conference at Budapest. One of the great obstacles s the large carryovers from previous seasons; and not until Canada educes her large holdings do we see any permanent hope for the aintenance of a satisfactory world's price level for wheat.

The Canadian visible supply is now the largest on record for his period of the year, 256,000,000 bushels versus 248,000,000 a ear ago; this despite the fact that Canada for two years in uccession has raised extremely small crops, and very much small- r than in any preceding period in over five years. She evidently as not made any effort to adjust her acreage to the new conditions, ot taking cognizance of the fact that Europe is unable to absorb s large importations as heretofore, having increased very largely er own production. It certainly makes quite a difference that rance alone has become an exporter instead of an importer.

This week Broomhall estimates Argentine shipments at 3,857,000 ushels compared with 482,000 last year; but fortunately as an off- et the Black sea has not cleared a bushel, while last year 1,784.000 ushels were exported from the Balkan states and Russia. It cer- ainly sets one thinking what might happen next year should both the nited States and Canada, as well as Russia and the Balkan states, aise normal crops because all these countries were very deficient his year.

The weather was again very favorable in the largest part of the heat belt, and a great deal of moisture was reported at many places. he drought, however, was so prolonged and the subsoil so deficient, hat we cannot have too much moisture at the present time. Only hen everybody starts crying that there is too much rain will we have d enough. All this, however, will have more effect in the Spring hen the outlook for future crops will be discounted. In the mean- me we shall have seven months of consumption with very moderate pplies. Early in the season we had figured that we would have rgely reduced supplies on hand July 1, 1935, about 150,000,000 shels less than this year; but if all the reports we are receiving out increased quantities of wheat being fed to animals are true, r stocks will be further curtailed.

Primary receipts were again very small, 308,000 bushels com- red with 320,000 last year. Shipments were heavy, being 794,000; d stocks at Kansas City, Duluth and Minneapolis show a decrease so r this week of 1,261,000 bushels which indicates another fair

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sized decrease in the visible supply next Monday. This tendency of a decrease in stocks at terminal points will have to go on until the next harvest changes the picture.

During almost all of the whole session, when there was a weakening tendency in wheat, the great strength in corn gave it new life and was a stimulant all the time. For a very long period prices of corn have been gaining steadily on those of wheat, and today was no exception. At the close the market showed a decline of 3/8¢ per bushel. This last weakness was caused by a rumor that France might ship a very large quantity of denatured wheat to this country for feeding purposes. Our reports are such that we need further confirmation before we take any stock in this report.

There was nothing particularly new in the corn situation. Receipts continue to be light, 251,000 bushels versus 1,035,000 last year; and this is something we expect to occur daily from now on. There was another charter made to Buffalo; and with such small quantities received here, steady decreases in stocks will be a matter of course.

Oats profited slightly from the advance of other cereals. Rye had a weak undertone because of reports of further importations being in sight.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.

November 23, 1934

The members of the European brain trust are in discredit at the present time, as their predictions on the world's wheat problem have been such a total failure. This is quite natural, as much is always unforeseeable as far as the future is concerned. Who could have imagined that in one week Argentine would have cleared 1,571,000 bushels of oats to the United States, we being the best buyers of their product. At the same time they shipped to us 299,000 bushels of corn. Today the Chicago receipts include 188,000 bushels of wheat from Canada, probably to be used For feeding purposes. Also we received 447,000 bu of oats and 0,000 bu of rye on which duty was paid.

Nothing like this was anticipated when the United States attended the last London wheat conference; and when they bargained for the best quota possible for exporting our surplus of wheat, nobody dreamed that we might become an important importer this season.

France has learned a very valuable lesson; she may have to ay a great penalty for mistakes she has made, as governments re no more exempt than individuals from suffering financial osses when they adopt the wrong economic policy which does not ork out. By establishing a minimum price for wheat, something ike $1.91, her wheat acreages had been so heavily increased that he is now left with a surplus of about 73,000,000 bushels. This heat, on the world's market, is worth about $1.31 per bushel less han she agreed to pay to farmers; and even then she will have a ard time to dispose of it. There was no further confirmation f yesterday's rumor that 18,000,000 bu of French wheat will be hipped to the United States and that it will be denatured so as o reap the benefit of a lower duty. If this plan should be arried out, it would make very cheap feed compared with domestic prices ruling at the present time; but it could not be used in ompetition with wheat that is consumed by human beings.

Where there is smoke there usually is fire. What will happen, n our opinion, will be that France will not dump all of her heat or dispose of the 73,000,000 bu during the next seven months. ome of it will be carried over and some will be sold in the shape f wheat to such countries as will take it, and part might come ere for feeding purposes. It would be difficult to sell such a arge quantity except gradually; and therefore we do not believe t will be very much of a bearish market factor as far as coarse rains are concerned.

The fact that our corn and oats crops alone are easily 1,500-00,000 bushels less than normal production, not to mention shortage of minor crops such as hay, kaffir corn, milo maize, etc., akes it possible to absorb very large quantities of importations. n fact, we shall probably need them badly before the end of the eason. The change in the French policy will probably affect anada more than the United States. Every extra bushel which s sold by France to other countries will make it more difficult or both Argentina and Canada to sell their holdings, and this new ompetitor has to be reckoned with.

As the United States raised 150,000,000 bu less this year than normal consumption, with the probability of an increased demand for animal feed, we will probably continue to have a different price level from the balance of the world.

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Inasmuch as sentiment always plays a very important factor in the shaping of values, the French news, as well as lower cables, could not be ignored and lower prices prevailed during most of the session. However, with the strength in corn, and indications of increased quantities being fed to animals, finally recoveries were brought about, so the close was about unchanged. At times additional liquidation in December had a weakening effect.

The domestic situation remains as strong as ever; in fact there are indications that the milling business is improving and millers are better buyers than they have been of late.

Wheat receipts continue to be extremely small, only 482,000 bu compared with 604,000 last year, but this year's receipts also include importations already mentioned; otherwise they would have been extremely light.

Stocks continue to decrease at terminal points and those at Kansas City, Duluth and Minneapolis so far show a decrease of 1,513,000, indicating a good decrease in the visible supply next Monday.

Corn must still be considered the leader at the present time. Its inherent position is so strong that it is difficult to bring about declines no matter what bearish sentimental news is brought forward at periods. There is no new pressure; hedges have to be removed right along. Primary receipts were only 405,000 bu vs. 972,000 last year, and shipments were 619,000 bu vs. 433,000 in 1933, showing a smaller movement to all points and a heavier outgo, leading to the conclusion that when this can happen the first month of the crop movement, an actual scarcity might develop before the season ends.

Corn finally closed higher; and there was a good cash demand with firm premiums prevailing.

Rye benefited from the strength in corn, but oats were a trifle lower.

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CHICAGO Nov. 24, 1934.

Cables showed a total reversal today, and the great weakness of yesterday was followed by a complete change of sentiment. Liverpool futures regained all their loss of yesterday, and closed about 1 1/2¢ per bushel higher. Broomhall cables that a better feeling abroad was caused by receipt of an official wheat report from Argentina, indicating smaller crops than last year, and also apprehending poorer quality. Furthermore, there is the expectation of very light world's wheat shipments for the week. The actual quantities cleared from Argentina and Australia are only a little over 6,000,000 bushels, and neither Russia nor the Danubian provinces are making any contributions. Clearances from Canada were supposed to be very light; France also has to be reckoned with; so the total may be about 9,500,000 bushels, much the same as last year. This, however, is below the estimated weekly requirements, according to Broomhall. This authority re-iterates his estimate for import requirements of both Europe and ex-Europe at 576,000,000 bu., which about equals 11,000,000 bu a week. So far from July 1 to Nov. 19th exports actually were 219,000,000 bu, or at the rate of 11,000,000 bu a week, and up to this time are 13,000,000 bu larger than in 1933.

It is also reported that the French government is stiffening its prices, so it is quite reasonable to expect that the great demoralization abroad may be over for the time being. Much, of course, will depend upon the action of Canada. As North America so far shipped 12,000,000 bu less than a year ago, and with Canada having a larger visible supply than ever, she will be in a position to meet any urgent demand which might arise. Receipts in that country, it is true, are showing a dropping-off, but nothing sensational as yet. Farmers' deliveries today were 530,000 bu compared with 511,000 last year. At that rate, stocks in Canada will not be reduced greatly unless more efforts are made in the selling direction.

The United States is so entirely on a domestic basis this year that foreign news only has a sentimental effect, but it might become important next year should we again raise a large exportable surplus. This is a possibility in view of the fact that rains lately have been quite general, and the weather forecast for precipitation is again very favorable for the coming week. If correct, no doubt, there will be more or less rains all over the western country.

The fact that there was an explosion in a big elevator at Omaha also had some effect on the market here. It was known that the elevator contained both wheat and corn; particulars are not known at this time, but as near as we can tell the fire damage was only very moderate, and we doubt whether a large quantity of hedges of either grain had to be taken in.

Primary receipts were small -- only 372,000 bu versus 437,000 last year; and shipments were 700,000 bu --a performance which seems to be going on daily; and as long as the outgo is larger than the inward movement, stocks are bound to decrease. We have reports from Kansas City, Duluth and Minneapolis that so far this week they show a decrease of 1,963,000 bu. We,therefore, look for another heavy diminishing of stocks in the visible supply on Monday.

The great strength in corn was also a help to the friendly sentiment in wheat. At the close the wheat market showed an advance of 1 1/4¢ per bushel.

The news on corn continues as bullish as ever, and it is only a question of what price will finally discount the great shortage, which is bound to become more keenly felt as time goes on. The

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correction can only come from extreme economies, importations alone of this cereal will not be sufficient, although they will be a grea help. Wherever surplus corn is raised, efforts are being made to send it to the United States to relieve the situation, which is feared might become acute. It is reported that some white corn was purchased in south Africa for importation into the United States, and also some corn was supposed to have been worked from China to the Pacific coast. This is an extraordinary evidence of the surge for feedstuffs for this country. Of course, a combined crop of cor and oats of 1,500,000,000 bu less than normal production represents a shortage hardly ever experienced before, since we have such a large human and animal population.

The visible supply of corn will probably show another decrease, while last year at this time there was an increase from 59,000,000 bu to 60,500,000 the week after, and before the last wee in December the visible supply grew to 66,500,000 bu. This year th visible supply is 53,000,000 bu, and decreasing steadily. Finally the amount of corn hedged will be of such small proportions that it will cause a strong technical situation.

Oats and rye sympathized with the more important cereals and also closed at a higher level.

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO Nov. 26, 1934.

orld's shipments this week were slightly in excess of 10,000,000 bu, r virtually unchanged from those of last year. The distribution, owever, is quite different. Russia was a fairly large shipper a year go, while at this time she has furnished no wheat at all for import- ng requirements. North America, which we presume is mostly Canada, s the United States is not on an exporting basis, furnished about ,000,000 bu less than was the case last year; and to date Canadian hipments are about 6,000,000 bu smaller than they were in 1933. This lso takes into account some durum and low-grade wheat which was hipped to the United States. As an offset the Southern Hemisphere as been taking the market away from Canada, and Argentine shipments his week amounted to 3,824,000 bu compared with only 482,000 bu a ear ago. Since the beginning of August, when Canada started her crop eason, Argentina has shipped 62,507,000 bu compared with 32,680,000 last year, and a five-year average of 28,872,000 bu. Australia to somewhat lesser extent has been usurping the world's market, and hipped last week 2,244,000 bu versus only 815,000 bu last year. Like- ise a comparison could be made since August 3, when that country had hipped a total quantity of 33,662,000 bu compared with 25,336,000 bu rresponding period the year before, and a five-year average of only 6,760,000 bu.

t becomes quite evident, as time goes on, that Canada is still the eak link in the chain. To date country deliveries have exceeded those f last year by about 12,000,000 bu; and ending November 23, from the tart of her crop season, farmers have marketed nearly 160,000,000 of wheat. If we add to this figure 55,000,000 bu, which generally emains on the farms for seed, feed, etc., it would give us a total of 15,000,000 bu. Based on the government estimate for the crop of the estern provinces of 263,000,000 bu, it would leave a balance to come orward of only 48,000,000 bu. Today's marketings were 486,000 bu d we rather tend to the belief that the crop has again been under- stimated.

t the start Liverpool quotations were quite strong, although most f the advance was lost before their session closed, and probably his occurred in sympathy with our weakness. There was no particular ews to account for lower prices in Chicago, except that a statistical gency was reported to have advised the taking of profits on long mmitments, and this brought about liquidation in a generally quiet rade.

roomhall now indicates that the Argentine crop will probably not be s large as it was last year, but no doubt will be adequate for all rposes; and as we represented above, she had a sufficiently large rop last season to enable her to press supplies on the market to the etriment of other exporting nations, and also the the general world's rice level.

e visible supply of wheat showed a rather healthy decrease -- ,415,000 bu, which compared with a decrease of 1,802,000 last year. ocks now are 42, 459,000 bu shorter than they were in 1933. Despite somewhat firmer tendency in December wheat, the market closed lower an on Saturday, at a decline of 1 1/4¢ per bushel.

rn held relatively strong, and the inherent statistical position emains sound. Since November 1 to date primary receipts are only ,748,000 bu, while last year they were 20,615,000 bu. The single eek's proportions are even more striking -- with receipts of 2,144,000 versus 6,349,000 a year ago. With the movement from the country so all it is not surprising that today's visible supply showed a de- rease of 3,232,000 bu. A year ago the tendency was the other way, d stocks had increased 1,420,000 bu. We now have 10,000,000 bu less rn in the visible than a year ago; and we believe that stocks will ntinue to shrink from the present level of 50,000,000 bu.

ere was not much feature in the oats market, although a liquidating ndency forced prices somewhat lower. On account of importations this ereal increased its stocks 465,000 bu, while last year a decrease of 36,000 bu was noted.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO Nov. 27th, 1934.

Official reports from Washington point out further evidences the improved financial position of agriculture in the increased rte of payments being made by farmers on loans advanced by the gvernment. There is also an increase reported in total interest pyments on farm mortgages made by the various federal land banks. Frther indication of improved farm income is seen in the earlier rpayments on production loans which farmers borrowed in all sections the country. The rural South has made the greatest advance.

Betterment of the farmers' position is often the signal of iprovement in the country's economic position and, therefore, it is wll to consider whether this is only temporary or permanent, partic-uarly as agriculture and industry act and react on each other. th better business, consumption of agricultural produce would be icreased and would be very helpful to prices.

Indications still point to the fact that at the end of this op season the United States will be more bare of cereals than per-ps she has ever been in recent history. Should this be the case, matter whether crops be large or small next year, prices will be und to be comparatively higher than they would have been with the sme total yields as in years when surpluses from previous crops wre abundant; same refers also to animals. To us, it appears that te farmers' financial outlook for next year is better than it has ben for a long period.

The immediate outlook also continues to be encouraging. Today's imary receipts of wheat probably make a new low record for all tmes since the United States became such a large agricultural country. imary receipts of wheat were only 221,000 bu compared with 382,000 lst year, and shipments were 723,000. Stocks at Kansas City, luth and Minneapolis decreased only 14,000 bu, but with the very lght movement there can be only one result: namely, diminution of ocks at terminal points. No doubt stocks will be reduced to a level der which it would not be safe to go without positive knowledge at next year's yields will be more plentiful. In this respect day's news was more favorable, there being a small amount of moistur pearing on the weather map for the one large wheat territory that d insufficient moisture, chiefly the western part of Kansas which s a great wheat producing acreage. During the day more reports re received of snows, so at least some slight relief is in sight r the worst districts. Much more moisture will be needed right ong to relieve the anxiety there; but the remainder of the wheat lt is in reasonably good condition.

There was more or less liquidation going on today in December eat, there being only two more business days left before the buyer ght be confronted with deliveries. Generally speaking, however, e longs are not particularly perturbed for total stocks in Chicago blic elevators of #2 red wheat, which is the only kind likely to be livered, are only 2,191,000 bu, showing a decrease of 18,000 bu from e previous week. It is still difficult to guess whether or not a rge part of these stocks in public elevators will be delivered. erefore it is uncertain whether the December future will remain at premium over May or go to a discount. As much will depend upon e individual action of a few of the larger bulls, no positive opin-ons are worth while.

U. S. export figures from July 1st to October 1st were estimat-d as being 9,789,000 bu compared with 5,875,000 last year. As a rge quantity of the exports consist of flour made of Canadian wheat round in bond, the reports are really more or less meaningless. It s quite certain no new transactions of American wheat had taken

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place with the exception of a few export clearances from the Pacific coast to China. These latter trades were made on last year's crop, but were not consummated, because of the strike in California, until early this crop season.

Summing up everything, we believe that with a larger wheat consumption, on account of more fed to animals, and with no new pressure because of light receipts and a continued decrease in stocks, no great break in wheat is in sight for the present. Later on the outlook for the new crop has to be watched, particularly as we are way above an export basis. There is this encouraging feature, however, that for a number of days both Liverpool and Buenos Aires showed a much firmer undertone and a tendency to respond more easily to constructive influences rather than to those of a bearish nature.

At the close the wheat market showed an advance of 1 1/4¢ per bushel.

The corn market showed great strength from the beginning of the session until the close. Continued reports from many sections that corn is selling higher than wheat, and that trucks are hauling corn to many places in the southwest, preventing a movement to terminal markets, had a great sentimental effect. Primary receipts were only 219,000 bu versus 673,000 a year ago, or about one-third. The nearest future, December, was the strongest of all. Many industries feel that they cannot fill their requirements except by taking delivery on future contract purchases. With this situation existing this early in the crop season, it certainly indicates that corn might be an extremely scarce article before the end of the season. We see no great change in fundamentals as yet, although we recognize that prices under ordinary circumstances would be high.

Oats advanced in sympathy with the other cereals, in spite of more importations into Chicago amounting to 171,000 bu. However, were it not for these purchases from other countries even the most necessary needs could not be supplied. There were also further importations of 269,000 bu of rye, but yet the market closed somewhat higher. As the rye consumption is not anywhere near as large as that of the other cereals, this continued inflow from countries outside of the United States is more depressing on the price.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO

November 28, 1934.

It appears as if the world's wheat market had finally emerged rom its extreme pessimism. If conditions should warrant taking a ore hopeful view, its effect not only on grain.,, but also on the ommercial situation, would be incalculable. For several months our omestic situation has been so strong that we were justified in igoring the weakness in foreign markets; but, nevertheless, it did ast a shadow over everything and had to be watched right along. uring the past few days both Liverpool and Buenos Aires registered dvancing prices. The latest government report from Argentina laimed that their crop would be smaller in quantity and poorer in uality. Further rains are now impeding harvest in parts of that ountry. As this latter country had been the most disturbing factor, elling wheat at unprecedentedly low prices if figured in gold, any hange would be very welcome. It would not only have the direct efect of stimulating trading in grains everywhere and bringing about igher prices, but if the large agricultural population in Europe ould receive more remuneration for their produce, it would help usiness in general, and might be the means of lifting us out of the epression.

The great strength abroad naturally stimulated new purchases ere, and all cereals without exception finished with higher quotaions than yesterday. It requires but little of this encouragement rom abroad, because our domestic situation alone is on such a sound oundation that all this year it has been easier for the cash handler f grains to sell his wares than to buy them. Whenever sellers are ore scarce than buyers, it does not take much to bring about adancing prices; and this situation still exists.

Our wheat receipts today were only 219,000 bushels, and hipments 747,000 bu. Stocks at Kansas City, Duluth and Minneapolis o far this week already show a decrease of 572,000 bu. In the ast when we had normal crops our big decreases usually did not ccur until after close of navigation, or until the turn of the year.

When it is considered that our combined crops of wheat, orn and oats this year were hardly any larger than a normal corn rop, it is quite plain that the shortage of cereals in general canotbe overcome this season except through high prices, which eventualy will curtail consumption sufficiently to bring about this result.

The weather was again highly favorable; and even the western art, which had been suffering so much lately from lack of moisture, as received a fair amount of precipitation. Some spots are still eft which were not equally favored, but nothing in the world is bsolutely perfect. We, therefore, feel that the new crop outlook s fully up to the average. In consequence, July wheat, which is a ew crop future, did not do as well as the other trading options, and he discount between it and the May widened more. At the close May heat showed an advance of 3/4 cents per bushel compared with yeserday.

Corn showed a firm undertone all during the session. No nxiety seemed to be felt on part of the owners that anything could isturb their position; and confidence is gaining gradually that his cereal will be so scarce that it will bring fancy prices.

Total receipts were only 166,000 bu versus 781,000 last year. n spite of higher prices for the futures, cash corn advanced still ore. It is daily becoming more difficult to attract any corn for erminal markets; the demand comes from everywhere, even some of hose states which usually have a surplus are the best buyers. The act that Argentine corn also has advanced in price increases the ifficulties of importations, thereby making the situation even more ound.

Oats finally showed an independently strong tendency, depite new importations of 229,000 bushels into Chicago. However, hese receipts from other countries will have only a trifling inluence when it is considered that the crop is 500,000,000 bushels hort of the normal one.

Rye was also very strong, and pound for pound it appears heaper than any of the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO Nov. 30, 1934.

During our holiday yesterday, both Liverpool and Buenos Aires were very weak, influenced by better weather in the Argentine. A good recovery took place in the latter market today, as the fixing of minimum prices at Buenos Aires was considered as moderately bullish. However, Liverpool declined still further, futures showed a loss on an average of over 2 3/4¢ per bushel. The reason for this was the further free offerings of wheat on part of the French Government, and the entering of this comparatively new competitor is depressing prices abroad. With Argentina still having fair amounts old of wheat left, with the new crop coming on the market soon, and with Canada holding large quantities, (in fact, her visible is the largest on record) the European situation is not very encouraging.

Our market, however, declined early only moderately under these circumstances, because the very strong domestic situation is thoroughly appreciated, and may make us entirely independent of the balance of the world. This, at least until a new crop comes on the market, when possibly a change from the scarcity of the present time to what might be greater plentifulness next year, is being discounted. Furthermore, while Europe has to contend with a new xporter, as above mentioned, we, on the contrary, have found a new ustomer for our wheat - namely, animals. Reports about additional heat feeding are so general, and it is so obvious that with corn elling so much higher than wheat in many districts, substitution n a large scale must take place. How much this will be, nobody an guess accurately. The one who is smart enough to arrive at he most correct figures will probably be the best judge of ultimate heat values on this crop.

The situation becomes more complicated than ever, because in any places where the desire exists to feed wheat instead of corn, he supplies are so small that it cannot be carried out to its full xtent. This is particularly the case in the spring wheat states where practically no wheat was raised and where, therefore, the wheat feeding might be even less than normal. In the southwest, on the contrary, it should be enormous, and also on the Pacific coast, n the east, where the corn crop was comparatively better than in he west, the substitution might be more limited. We feel, however, hat next July, as there will be still four months before the new rop will be harvested, the amount of wheat feeding might exceed nything we have ever seen. At Kansas City, July wheat and July orn are today selling at the same price. Considering that a bushel f corn weighs 56 lbs. compared with 60 lbs for wheat, wheat is ctually about 6 cents a bushel cheaper, pound for pound. Then again, with no corn left by that time in Texas, Oklahoma, Kansas and art of Nebraska, it will certainly be cheaper for the feeder to use s much of his wheat as he can rather than pay freight to terminal arkets; also save the freight on corn from Kansas City or other arkets to his place. Moreover, if corn is a comparatively scarce rticle now, it will be all the more so by next fall.

There were further good rains in parts of the wheat belt, ut the western dry area was again neglected. While during the ast week conditions generally have been reasonably favorable rearding moisture, there is still a large territory in the western art where additional moisture is badly needed; otherwise, the rain in that area will go into the winter with a rather poor conition.

The Canadian farmers deliveries finally show a dropping-off, eing only 376,000 bu, which also is less than last year, when they ere 491,000. Therefore, we have to assume that not only the height f the movement for this season in that country has been seen, but

(over)

from now on the new arrivals will be such that they can easily be absorbed. Also the export business should be sufficient so that inroads can be made on the accumulated heavy stocks.

Primary receipts for two days were ridiculously small -- only 313,000 bu; and the actual shipments were 1,066,000 bu. Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 861,000 bu, and we are looking forward to another fair-sized decrease in the visible supply on Monday.

Heavy liquidation in December wheat was also a depressing factor, as many of the owners of this future are fearful that actual deliveries may be made to them tomorrow. We, ourselves, believe in view of the premiums which are being paid for red wheat that at best deliveries will be only small.

At the close the wheat market showed a decline of 7/8¢ per bushel.

While fluctuations in the various cereals usually act and react one on the other, corn never suffered much from the weakness in wheat, and was comparatively strong all during the session. Receipts of corn continue to be light -- only 362,000 bu versus 942,000 in 1933; premiums are well maintained, and in fact, in certain cases they were higher than ever. The difference in price between wheat and corn is narrowing right along, and is now about 10¢ per bushel in the main futures, while early in the season it was 40¢ per bushel. We expect another good-sized decrease in the visible supply, and by next May we think stocks at all terminal points will be extremely small, so that owners can be very independent.

Oats held comparatively steady, while rye declined in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
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FORT WORTH GRAIN AND COTTON EX.

December 1, 1934.

Corn is King again and leading all the other cereals in im-
rtance. Steady advances occur almost daily, discounting what in
e minds of most traders amounts to a famine condition, as far as
od for animals is concerned. Of course, there will be no actual
mine, and animals will not have to starve, but this will only be
e case because timely precautions have been taken, and prices rais-
to such an extent that consumption finally will be so curtailed
at there will be enough to go round. However, it is questionable
ether the present price will do the trick, as importations of feed-
uffs from other countries at best will be only trivial compared
th the extreme shortage which exists. It is quite possible that all
arse grains will sell at such high levels so as to compel a further
duction of hogs and cattle.

Today's receipts were only 335,000 bu compared with 517,000 last
ar. It is only one month since the new corn started to move, and yet
ere will be a further reduction in our visible stocks on Monday. If
is tendency continues until next May, supplies both in farmers'
nds and in elevators should be reduced to a minimum.

The situation in wheat is very different, as there is no real
arcity in this article, although it is not plentiful. However, with
rn gaining on wheat almost daily, we have to look for a steady in-
ease in the amount of feeding. For a while it looked as if this ad-
itional consumption would only come from farmers' stocks, but we are
w advised that wheat is even being shipped from country elevators
r feeding purposes to various points. If this continues, our
gures on the possible carryover on July 1 must be largely reduced.
e immediate effect is the practically shutting-off of a good-sized
vement to terminal markets.

Primary receipts today were only 167,000 bu versus 467,000 in
33; and stocks at Kansas City, Duluth and Minneapolis so far this
ek show a decrease of 803,000 bu.

The wheat market today also had good help from the greater
rength abroad. Liverpool recovered somewhat from the sharp decline
gistered the day before.

Canadian receipts are also dropping off, being 420,000 bu.
ainst 501,000 last year. Were it not for the immense accumula-
ons in Canada, the whole world's picture would be greatly improved.
where else, except possibly in France, are there any really burden-
me stocks. However, we figure that Canada at the beginning of this
op, less its home requirements for feed, had available for exports
d carryover on August 1, about 370,000,000 bu; and during the first
ur months, starting August 1, exported only 67,000,000 bu, leaving
ailable today about 303,000,000 bu. Of course, if Broomhall's
timates were correct, and importing nations would call on Canada
r their requirements of about 280,000,000 bu, everything would come
t all right; but it hardly seems likely that this estimate will be
alized.

World's shipments are estimated this week at 9,750,000 bu com-
red with 11,770,000 last year, and 16,223,000 two years ago, a
eat indication of how the nationalistic spirit abroad has gradually
creased the acreage to such an extent that for the time being we
n no longer figure on exports anywhere near the quantities which
re absorbed before.

At the close the market showed an advance of 1 1/8¢ per bushel.

There were no deliveries of either wheat or corn, showing very
ainly that those who hold the actual grain are not anxious to part
th it, and if they would they would find great difficulties in re-
acing it, with cash grain bringing such tremendous premiums every-
ere.

Oats and rye followed the advance also very sharply in sympathy
th the strength in corn, and also on account of special conditions
d an anticipated scarcity.

It is difficult to estimate the great beneficial effect which
ll be derived in this country next year when new crops come on the
rket, and when the total exhaustion of old stocks will enable the
rmer to reap great benefits and market his grain at what undoubted-
will be satisfactory prices.

Provisions also are sharing in the upward movement. Animals
e bound to be scarce and a high price for them adds increased
alth to the farmer more than anything else.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

December 3, 1934

The world's wheat conference adjourned, and again there were no important results. Nobody was surprised at this; and, consequently, it was not a market factor and there was no effect either upon prices abroad or at home. The early advances both in Argentina and Liverpool were encouraging, but these we believe came from natural sources, as their price level had been so extremely low. When it is considered that about twenty-six different nations were represented at the wheat conference, and all countries with different aims, most of them nationalistic in spirit, it is not surprising that there could be no harmony.

In Russia, they have a regimental system and supplies are sequestered by the government, so that they may be exported when there is a surplus.

In Italy and Germany, wheat is bringing fancy prices; and through a control system in France farmers are also getting about $1.75 per bushel.

In the exporting countries, Argentina is pressing supplies on the market and obtaining only about 55¢ per bushel, while In Canada, with the government holding practically the entire visible supply, the price level is being maintained at around 83¢ per bushel.

Here in the United States, we are neither importing nor exporting large quantities this season, as our crop had been small, and the price level is around the $1.00 mark; while in England wheat is selling for about 75¢ per bushel.

With so many governmental regulations and with high tariffs, quotas and subsidies it is not surprising that the conference broke up in turmoil, as nothing else could be expected.

World shipments this week were 10,134,000 bushels compared with 11,770,000 last year. Both Argentina and Australia shipped more heavily, while Canada furnished about 2,000,000 bushels less than in 1933; and this seems to be a weekly occurrence for the latter country. It is true that in Canada farmers are marketing now at a slower rate than a year ago. However, to date these country deliveries are about 12,000,000 bushels larger than the previous year, and the visible supply for the season is the largest ever on hand. Unless that country awakens to realities, we hate to think what might happen should it raise a normal crop next season.

Our market derived most of its early strength from the carryover feeling of last Saturday. At that time corn had advanced 1/2¢ per bushel; and upon further reflection many people had concluded that with the shortage of all feeds it would take a very high price to bring about the curtailment which was necessary so that supplies would be sufficient for all purposes. In an ordinary year industries draw quite heavily from the primary receipts. Therefore, it is interesting to note that since November 1st, total primary receipts are only 10,157,000 bushels versus 25,086,000 last year. In Chicago, for instance, the ratio is much worse, and we have only received about one-fifth as much corn as we did a year ago. The reason for this is quite obvious, as often the Chicago territory draws stocks from Iowa and Nebraska, but because of the severity of the drought in the Southwest much of the yellow cereal is moving southward, with the result that high premiums are obtained on account of freights that are added to the price.

(O V E R)

The way elevators in practically all parts of the country are reducing their stocks is quite significant and the price being paid is a reflection of the shortage which, in our opinion, finally can mean nothing but higher values. Mr. Jolley, of the Shannon Grain Company, Kansas City, for whose judgment we have the highest regard, told us they are selling more wheat out of their country stations for feed than they could buy. This covers a total of twenty-eight country elevators. He claims that the price is about $1.00 at stations, or 10 to 12 cents over Kansas City May price, delivered in Kansas City.

The visible supply of wheat decreased only 539,000 bushels. We are convinced that had it not been for importations of low grades from Canada, the shrinkage would have been greater. Primary receipts were 458,000 bushels compared to 962,000 bushels last year.

Moisture over the week-end was quite general and many localities were favored with rain or snow, which is beneficial. Despite this, we consider that July wheat, which is ruling about 6 1/2 cents under May, has good value; and if the carryover next July, through normal consumption and extra feeding, is greatly reduced, as we believe it will be, a great many millers will eagerly await the new crop if they can get their supplies at a large discount.

Corn could not maintain the best prices, which were established early, as considerable profit taking was apparent after the recent sharp advances. The visible supply of this cereal showed a decrease of 1,484,000 bushels against an almost similar increase a year ago. Primary receipts were only 238,000 bushels today as compared to 968,000 bushels last year, and this again is a very striking comparison.

Oats and rye were influenced by the break in the leading cereal; but rye actually closed higher, and this cereal seems cheap compared with all others. Distillers are laying in large supplies for aging purposes; and with no processing tax, as in wheat, we can easily imagine a large consumption.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO December 4, 1934.

The grain markets have been receiving most of their impetus rom fundamental conditions. For this reason the upturns were pro- bly slower than they would have been if we had had normal specula- ion. For one thing, inflation has lost its romance for the time eing insofar as its influence upon markets is concerned. Ever since he government permitted the free out-flow of capital to foreign ountries it was considered more or less of an indication that our ollar at least temporarily would be preserved at about the present asis. This fact has been borne out by transactions; and if anything, he English pound sterling has been receding slightly as compared th our money.

In spite of this condition, nobody can tell what an impatient ongress might demand, as we seem definitely committed to spending dditional sums of money for the purpose of recovery. It is also a act that traders in the East, who are often so instrumental in sup- orting our markets, have very little interest at the present time. hey probably hear a great deal about importations. Already we have eceived rye from Europe, wheat from Canada, and oats from the rgentine, but despite these importations it should not be forgotten hat it will be almost seven months before another wheat or oats crop s harvested; it will also be eleven months before we can expect nother corn crop; and in the meantime we will be dependent very large- y upon home supplies. In the Southwest, where there was the great- st failure of crops, they seem to be buying everything, including heat, at continually higher premiums; and as long as this is the ase stocks are bound to decrease. The only reason that the visible upply of wheat yesterday did not shrink more was because Chicago and uffalo included lots of feed wheat which was imported from Canada. herefore, those statistics are misleading.

Some of the private experts released estimates today as to the ossible winter wheat crop next year. It is too early to come to any ery definite conclusions, although a comparison may be drawn between he government condition reported a year ago, which was 74.3% on a own area of 41,002,000 acres, and this year when the acreage is lightly larger, as reported by experts, the condition on an average s about the same. Of course, it is not likely that the drought of 933 will be repeated; and, therefore, with normal conditions we can lmost assume a winter wheat crop next season of about 500,000,000 bu. f we add to this a possible spring wheat crop of 250,000,000 bu, it ould give us a total crop of 750,000,000 bu, which is larger than our ome requirements, but still will not be so extremely burdensome for t least the first few months of the crop season, particularly if our arryover on July 1 will be reduced to normal proportions as is now ndicated. Everyday we hear additional reports of heavy wheat feeding. nd with all feeds reduced in about the same proportion as corn, this s not difficult to conceive.

Deliveries on December wheat contracts were quite heavy today, nd were the first tenders of the month. Apparently some speculators ho had been carrying this grain decided that it was cheaper to re- lace with other months and save the storage charges; but aside from hat we can see no particular significance. The nearby delivery went o a discount under the May, which enabled hedgers to change their osition to the distant months. It also had the effect of narrowing omewhat the discount of July wheat under the May. We feel that as e approach the season when crop scares are generally at hand, that uly wheat furnishes a good opportunity for investment buying.

Primary receipts of wheat today were 208,000 bu compared with 38,000 last year. Stocks so far this week at Kansas City, Duluth nd Minneapolis show a decrease of 35,000 bushels. Canadian market- ngs were 369,000 bu, against 436,000 a year ago. As our session pro- ressed it again became apparent that there was very little pressure rom anywhere, and the movement from the country will certainly show o signs of increasing now, as even many stations in Missouri are re- orting that farmers, who own stored wheat in country elevators, are auling it back to the farms for feed. So many reports come to us of nusual situations of this kind that we are forced to take cognizance f them, feeling that if these operations start during the first half f the crop year they might even grow to larger proportions later in he season.

(over)

After mid-session it was reported that 265,000 bushels of corn had been sold out of Chicago, and this strenghtened December corn as compared with other delivery months. It also had a sympathetic effect upon other cereals generally. If premium prices are any criterion of the worth or merit of an article, we would certainly be inclined to believe that with continued light receipts there can be nothing but scarcity and higher prices in the future.

Oats and rye shared in the better feeling which prevailed, and also closed higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

December 5, 1934

A marked improvement in sentiment has been noted in all markets. The recent Treasury reports of excellent reception of their large offerings has further reenforced confidence. Cash subscriptions to bonds and notes are five to seven times as large as the amount offered, showing great restoration of faith in government credit. The fall in the international value of Sterling indicates clearly that European monetary conditions are still unsettled, and the fate of the gold bloc is still in doubt. Sterling has dropped to the lowest point since October 18.

This all leads us to believe that a level of prices so much higher in gold countries than here cannot continue forever, particularly as we are still the richest country in the world with the greatest resources. Gradually rising prices in the United States would bring about the readjustment. Higher freight rates for railroads, which are being discussed, would soon affect every commodity; and in turn a rising tendency is likely to occur until the fifty-nine cent dollar is fully discounted.

Emphasis is still being placed on the desirability of spending additional sums of money for recovery and in general to prime American business until it improves further. Recommendations have been made to the President for larger and more permanent public works programs; and we do not believe it is safe to lose sight of the possibility of credit inflation.

In addition to this, the strong domestic situation is better appreciated. As we have mentioned in previous letters, our own situation at home might finally make us independent of the balance of the world, at least for the next six or eight months. Some day this will change, and we are convinced that when larger supplies come on the market we will again heed prices that are being paid in other parts of the world.

In the meantime, animals are taking a considerable amount of wheat as a substitute for other feeds which are scarce; and this is making the movement from the country extremely light. Of course if we should get a severe winter, corn might be fed very heavily in order to keep animals warm; and with the small crop this cereal should remain in a strong position all season.

There was quite a little encouragement today from abroad, both Liverpool and Argentine markets being stronger. One of the great offsets against our bullish domestic situation had been the indifference abroad and, therefore, when those markets rallied this morning a better feeling was immediately noted and our prices were lifted with the utmost ease. The advancing tendency continued almost unabated until the close; and it was rather encouraging to see how prices advanced without very much outside support. However, in view of this situation, we urge a somewhat cautious attitude, as outside markets did not fully follow us.

Primary receipts were very light, only 195,000 bushels of wheat compared with 322,000 bushels last year. Stocks at Kansas City, Duluth and Minneapolis show a total decrease of 911,000 bushels, the disappearance being largest at Duluth. Canadian marketings were almost as large as last year, 345,000 bushels compared with 398,000 bushels at that time.

At one time our market advanced almost to the full permissible limit of a day's trade and showed a premium of 20 cents a bushel over Winnipeg. The fact that elevator interests were

(OVER)

able to maintain premiums in their sales was encouraging; and new pressure was almost entirely lacking.

Corn did not show the same strength as wheat; but this is not surprising in view of the fact that the yellow cereal had previously advanced so much more rapidly than other grains. Primary receipts were 307,000 bushels compared with 491,000 last year. Greater quantities were sold to go out of this market than were booked. The way cash corn is selling, we still believe that the price level is fully justified and might easily advance further.

Rye and oats were helped by the general bullish feeling in other grains and closed higher. Rye seems to be cheap not only in comparison with wheat but also on basis at which corn is selling. Less attention is directed toward further importations and this grain seems to be gaining more friends.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

December 6, 1934

Liverpool was extremely indifferent this morning, and quotations were only fractionally higher. This was not difficult to account for as Argentine prices today declined rather sharply; and as long as the importing countries persist in a policy of national self-sufficiency and high bread prices, the world's wheat problem remains unsolved. Despite the fact that there have been several crop failures, which will result in great reduction in world stocks at the end of the current season, there is no shortage in sight, and consumers of wheat in importing countries are not worried over prospective supplies.

If we take as a guide some figures furnished by Sanford Evans on Argentina, using the exportable wheat stocks as of August 1st, and adding to this the succeeding year's production, we find the following compilation: (000's omitted)

	Old Wheat Available for export Aug. 1st	Wheat Production		Total
1934	96,000 bu	(249,000) bu	Estimated crop	345,000 bu
1933	50,000	286,000	Actual crop	336,000
1932	33,000	235,000	" "	268,000
1931	49,000	219,697	" "	268,000
1930	35,000	235,958	" "	270,000
1929	109,000	162,575	" "	271,000

From the above it will be seen that despite a smaller crop in Argentina than last year, they are still in a position where they must depend more than ever upon their ability to export; and to that extent they are taking the market away from Canada to accomplish this purpose.

The situation with regard to Australia is not so bad, although that country must also rely very largely upon this foreign trade.

It is difficult to reconcile Canada's wheat policy. Undoubtedly they are impressed with the situation in the United States, and also the two short crops that were harvested at home; but this improvement is largely fortuitous and crop scares cannot be relied upon to continue indefinitely.

Our problem is quite different from those export nations just described. At least we shall not have to share their worries for another six to eight months. In fact, we should be able to hold ourselves quite independent of the world's low price level unless a point were reached that would attract importations to this country on a large scale.

When we look at the small receipts each day, and the premiums which are being paid for cash wheat, the situation still appeals to us from a bullish viewpoint. This morning we were little affected by bearish news from foreign countries,and our markets hesitated but slightly even after the sharp advance of yesterday.

Primary receipts of wheat were 416,000 bushels, which were a little heavier, compared with 256,000 bushels last year. Stocks at Kansas City, Duluth and Minneapolis show a total decrease of 1,045,000 bushels. Country marketings in Canada were 323,000 bushels as compared with 411,000 bushels last year.

(OVER)

The prospects for gold production this year are the largest in history. Mining operations have increased for three successive years, particularly since England went off the gold standard. Increased gold production in the past always cheapened the value of this metal compared with commodities. In other words, it brought about inflation. This occurred after gold was discovered in California, and again later in the Transvaal. However, the gold production at the present rate might produce 4 1/2 billions in five years, which is probably more than existed in the world one hundred years ago. It is for this reason also that ownership of commodities, aside from intrinsic merit, should not be overlooked.

There was practically no feature to today's market. Volume of trade was much smaller than yesterday, although considerable profit taking had to be absorbed and, in view of this, prices were pretty well maintained in all pits.

Mr. Murray, the crop expert, in discussing corn claimed that the disappearance has been more rapid than normal percentagewise, although in actual bushels we have consumed less than in a normal year. It is a foregone conclusion, however, that great economies must take place if this year's supplies are to be sufficient for all purposes.

Oats and rye also held well; and at times rye was actually higher than yesterday's close. In these cereals also receipts to terminals are so small that it is difficult to build up stocks except at times when an occasional cargo is imported from other countries.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO December 7, 1934.

The ease with which the government was enabled to float new ssues, has shown the great restoration of confidence which has taken lace in this country. What is necessary now, and should be sought, s the release of purchasing power in order that industry may recover a great extent.

In the first phase of our recovery movement, an attempt was ade to boost prices in order to bring about the much needed purhasing power. In a measure, of course, this is correct because if e could insure greater farm income, it would immediately be reflectd through larger sales of capital goods. On the other hand, when usiness improves, prices rise and a higher level of prices takes are of itself.

The value of the world's gold supply has been very largely aised by a greater supply of newly mined gold, also hoarded metal hich was released from India, but chiefly through the revaluation of he dollar. In our currency exchange when the statutory price was ncreased from $20.67 per ounce to the new level of $35.00, it meant hat gold in this country became worth about 70% more than before. ny large increase of the precious metal has always produced a orresponding rise in prices of goods. Possibly the reason that this as not been felt so much either in the United States or in England, as because of the fact that there is still a very large speculation f gold throughout the world. Many feel that by hoarding, at least, he principal is safe, and if currencies are devalued further that hey can benefit more than if their capital were invested in industry. or that reason it must be quite clear to the administration that the ooner an agreement could be reached between the important nations f the world to stabilize currencies at some relative ratio, that the ooner greater confidence would be restored and the more quickly oney would return into the usual industrial pursuits.

Early quotations from abroad were more encouraging to the rade, and this was the chief incentive for the higher prices which ere recorded right after our opening. Winnipeg was also very strong nd reports came to us that Mr. McFarland is trying to arrange for he importation of some feed wheat into the American Northwest, free f duty, so that our government might bring about relief to the rought stricken areas. The line of least resistance was on the buyng side, and very little pressure came on the market until a report rom New York claimed that thirteen cargoes of new crop Argentine corn ad been purchased yesterday for Gulf, New York or Montreal shipment. his had the effect of reminding traders that importations could not e entirely ignored, with the result that liquidating orders folwed.

There were very heavy receipts in Milwaukee today, which must e largely feed wheat, and therefore the visible supply at present oes not show the actual decreasing stocks because this feed wheat, ich is not for human consumption,is included in our total stocks.

Receipts at Kansas City, Duluth and Minneapolis show a total ecrease of 1,160,000 bu. The primary wheat arrivals were 773,000 bu, ncluding 553,000 bu at Milwaukee. Last year we received 348,000 bu. untry marketings in Canada were heavy --409,000 bu against 391,000 u last year.

The final wheat quotations were little changed from the previous session, and the break from the day's best prices came almost ntirely in sympathy with corn.

In the yellow cereal, liquidation corrected a possibly overught technical pit condition. We do not lay much emphasis upon he Argentina corn imports, nor do we believe that Canada has any uch quantity of low-grade wheat which is supposed to be coming into his country for feeding purposes. On the whole, we prefer to take a broader outlook; and with the great scarcity of feeds in this untry, we think that some time in February or March if the conumer wants to buy any large quantity it will be difficult to get. I the meantime, of course, the price has reached the level where rkets might be a little more two-sided; but as long as the elevators e able to sell more of their stocks than they can buy, we think at on breaks, at least, every advantage lies with the long. There ll not be any great pressure on any of our cereals, except from ofit-taking; and to that extent bull operators have a decided vantage over past years.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO December 8, 1934.

Liverpool was able to maintain its moderate advance of yesterday, and quotations this morning were unchanged despite our yesterday's reaction. This resulted in firm prices when our market opened, with some encouragement also coming from yesterday's Argentine closing prices, which were about 1 1/4 cents a bushel higher.

It was reported that Mr. McFarland, head of the Canadian wheat pool, had returned to Canada from his recent visit to Washington, and press reporters were expecting a favorable interview as to the possible consummation of low-grade wheat sales to the United States for feed purposes, although a fair quantity of this poor wheat has already been shipped from Canada. With the relatively high prices that prevail in this country, her exports are but meager; and from July 28 to the 1st of December shipments have amounted only to 71,500,000 bu compared with 80,500,000 bu last year, and a much larger quantity two years ago: namely, 113,750,000 bu.

Europe apparently feels comfortable in the knowledge that with the heavy stocks remaining in Canada and ample supplies from Argentina and other countries, that their requirements will be met without seriously forcing prices.

When the world's shipments are published on Monday, the Southern Hemisphere will show nearly 5,000,000 bu of the total, which is about the same as last week, but much more than last year. This being the case, the world's wheat price remains more or less stationary, so that any comfort which the bull speculator expects to derive must necessarily come from elements at home. This, we believe, has been the case during the first half-period of the crop year and might strengthen because the next six months the real scarcity on account of the drought should be felt more keenly.

Only a little more than the first month of the corn season has passed, and already feeders are finding it difficult to get their supplies except by paying large premiums over futures. This, in our opinion, cannot be changed, even with the importation of Argentine corn, as quantities brought in will be almost negligible in comparison with the acute shortage which exists.

There was a holiday in Argentina today, but our advices indicate that they are encountering more rain in the South. There is also reported a good demand for old corn with none offered.

Primary receipts of wheat today were 311,000 bu compared to 268,000 last year. Stocks so far this week at Kansas City,Duluth and Minneapolis show a total decrease of 1,243,000 bu. Country marketings in Canada were larger --436,000 bu against 397,000 a year ago. The visible supply on Monday will not show the actual reduction in stocks which is taking place, as a considerable part of the seed wheat is included in our receipts and yet will not be used for human needs.

Today's market was mostly indifferent in character but lower. The weakness in corn affected the leading cereal, with business much lighter than during recent sessions.

At the present time corn is suffering a setback and the market has been compelled to absorb hedges of Argentine importations. Selling from this source has caused price declines such as are experienced normally when corn starts to move in this country. We feel, however, that all these hedges which are placed in the market will have to be removed later on, as this corn cannot be expected to move far enough inward to be delivered on futures contracts.

We continue to feel bullish, and think that all kinds of grains, except wheat, will be scarce in due course of time; and even the price of wheat should be lifted through the influence of other grains.

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MINNEAPOLIS CHAMBER OF COMMERCE
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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

December 10, 1934

Foreign grain news was about as expected; world shipments were much the same as last year, and early quotations from Liverpool were fairly firm, although they weakened later. Foreign political events remain tense; but it is still hoped that some beneficial solution will be met. The latest monetary action, however, in Italy strikes us as significant following so shortly the crisis which Belgium underwent recently when she had to borrow abroad in order to stabilize her currency. Drastic measures have been taken by Mussolini to stop the continued outflow of gold and new laws will be enforeced to mobilize all credits held abroad by Italian citizens.

During the last ten days Italy's gold reserves have fallen 110 millions lire. The lira is now at the lowest point since May 1931; and even the Swiss franc has reached the lowest level in seven months. This all tends to show the difficulties that the gold bloc is experiencing. It behooves everyone who is interested in international commodities to contemplate what the outcome will be, or at least what appears probable if more of the European countries would be **forced** to go off the gold standard. We believe that the immediate consequence would be to stop further world deflation, and this would be beneficial all round. On the other hand, it would increase export business from those countries which have been suffering thus far from high exchange rates; and to that extent it would decrease our own exports and increase importations. This situation, however, we could face without alarm, as we cannot expect forever to keep our foreign business one-sided which for the last twelve months resulted in importations of about one billion dollars in gold, which is more than the total world's gold production and would leave no surplus for reserve banks of other nations.

As far as wheat and corn prices are concerned, the immediate effect would probably be negligible as long as we are strictly on a domestic basis. Later on, much would depend upon the action of England. The French government is planning to purchase, for storage and sale, 73,000,000 bushels of wheat accumulated from previous crops, and will pay from $1.73 to $2.00 per bushel for this grain. No mention has been made as to the final disposition, but undoubtedly it will be sold whenever an outlet can be found. With the collapse of the International Wheat Conferences her hands are no longer tied.

Fortunately, the Australian crop will probably be 44,000,000 bushels below last year and 82,000,000 bushels less than two years ago. According to Broomhall's estimate, Argentina will have 57,000,000 bushels less and, consequently, shipments will be smaller than last year. Should Russia abolish her system of bread cards in January, as is now contemplated, her consumption will probably increase to such an extent that we need not fear her as a large shipper this season. Altogether the foreign outlook is not desperate, particularly as the Canadian farmers' heavy movement is about over; and in any case the carryover in that country will be reduced more or less, depending upon conditions between now and August 1st.

Primary receipts of wheat today were somewhat better, 503,000 bushels compared with 384,000 last year. There has been some mix-up because of the fact that importations of feed wheat are being included in our domestic stocks; but we think this system of collecting statistics will be changed within a few days' time.

(OVER)

The visible supply of wheat actually showed a decrease of 1,750,000 bushels and would have been considerably more if these importations had been placed under the proper category.

During the first half of the session markets were rather weak, following the decline of corn; but the moment the yellow cereal recovered, a better sentiment was noted all round. We cannot imagine that small importations of corn, in comparison with the huge shortage, will change the situation. In the first place, the visible supply will continue to show large decreases right along, and the disappearance this week was large, being slightly in excess of 3,000,000 bushels; and total stocks are now about 18,000,000 bushels smaller than last year. High premiums continue to be paid; and we believe that the elevators are all in a position where they can sell more than can be purchased from the country which some day, in our opinion, will be reflected in higher prices.

Oats are also in a strong position statistically. Since August 1st primary receipts have amounted to only 11,843,000 bushels compared with 39,001,000 bushels a year ago. This means that the industries will not find it easy to get their supplies. The crop has been so short for two years that we continue to feel that still higher levels will be reached.

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FORT WORTH GRAIN AND COTTON EX.

Dec. 11, 1934.

For a time corn had assumed leadership of grains, and from very large discount of possibly 44 cents per bushel under wheat, t gradually gained supremacy until ten days ago May corn sold at nly 8 1/2 cents per bushel under May wheat. Since that time imortations of the yellow cereal from Argentina, with the threat that ore of this grain might be sold to the United States, caused a reersal of feeling which resulted in considerable back-spreading beween wheat and corn.

As far as wheat is concerned, we believe that next July the isible supply will be down to possibly 40,000,000 bushels, and our ntire carryover will be quite normal as compared to years previous o heavy farm board accumulations.

In corn the situation should be stronger statistically. We all attention to the fact that before the second month of the corn eason has passed stocks have already started to decline quite coniderably. If we look at the drought stricken territories, we find hat yesterday Omaha had a corn stock of 8,076,000 bu compared with ,902,000 bu the previous week. Kansas City had 4,291,000 bu and eclined from 4,632,000 bu the preceding week, while St. Louis had he small amount of 180,000 bu in elevators and dropped from 262,000 u the week before. Therefore, percentagewise these losses in a ingle week were very great, and confirms the view that in those tates where the crop was so short the disappearance is very rapid and t appears as if the zero point might be reached by next Spring.

Today's decline in the Argentine corn price was somewhat rprising and suggested more caution to local traders; but this has ot changed the domestic outlook which is growing increasingly tronger. The very cold weather should increase corn consumption onsiderably. The next three months will be the heavy feeding period; nd if the weather remains cold it is bound to make great inroads in ur stocks. In making purchases we believe that the July delivery t a discount is just as desirable as the May future. The fact that arch corn is already a premium is rather conclusive that there is o reason for the discount of 5 cents a bushel for July, and we are onvinced that regardless of some importations that by next summer rices will reflect the shortage. Of course by that time some sub--titution is possible when we have another oats and wheat crop availble; but we do not regard this as a particularly depressing inluence on the more--distant month.

Primary receipts of wheat today were 599,000 bu compared ith 216,000 bu last year. However, included in today's arrivals was 16,000 bu of low-grade bonded wheat for Chicago that had been hipped from Ft. William, and might easily be for feeding purposes. ocks at Minneapolis, Duluth and Kansas City show a decrease of 1,000 bu so far this week. Country marketings in Canada were 09,000 bu compared with 350,000 bu a year ago.

During most of the session trade was extremely quiet, and ith lower quotations from abroad and an easier feeling in the securties market there was little confidence for new commitments. On a ather small volume prices declined, and final quotations in wheat ere 3/4¢ per bushel lower than on yesterday. It is difficult to ake forecasts as to the immediate trend of wheat. We believe, howver, that if it is to be strong it must derive its benefits from igher prices in feed grains unless the foreign situation would imrove considerably more than at present.

We feel that the road in corn will be easier to follow. ith decreasing supplies the outcome suggests higher prices, at least ntil such a point is reached where feeding operations are more rastically curtailed than at the present time.

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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO December 12, 1934

Liverpool quotations before our market opened furnished no par-
cular incentive either way. Prices had been expected slightly
wer, and they responded accordingly. Argentine prices, however,
re disheartening, and at noon both wheat and corn declined rather
arply considering their low level of prices; and corn for January
livery was quoted around 54 1/2¢ per bushel. Momentarily it must
recognized that when such conditions arise, even domestic corn is
a weakened condition. The Argentine crop corresponds to our crop
June insofar as plant growth is concerned, and during the next two
nths there are apt to be many scares. Here, at home, the domestic
tuation keeps strong, and the December delivery remains at a sub-
antial premium over other months.

Mr. Wallace, Secretary of Agriculture, presented his annual report
the President. In doing so he called attention to the fact that
educed production for export had opened up new questions; and when
justments nearer to home requirements were made there was also some
ar that farm reserves might not be large enough in years when crop
ilures occurred. He, therefore, considered it incumbent to call
tention to the maintenance of reserves from one season to another in
plan that is termed "An ever-normal granary".

It seems that in all exporting countries the chief motive of any
vernmental experiments is to maintain high prices. Past experience
s taught us that in all cases such as the valorization of Brazilian
ffee, the Stevenson rubber experiment and the Cuban sugar control,
l were doomed to failure, because high prices encountered substi-
utes and encouraged acreage increases all along the line.

In the case of the debacle of the United States farm board, where
cumulations of wheat were so tremendous that prices broke to nearly
e forty cent level, it was definitely shown how unwise this legisla-
ion was to interfere with the natural laws of supply and demand. We
elieve that experimentation of some sort will continue; but as long
the aim is to attain higher prices in the long run, this is bound
bring about large increases in acreage. Already we have found pro-
ests in many sections against acreage control. We doubt whether any
stem can be devised that will successfully prevent expansion when
gh prices prevail.

Regardless of what name is applied to the newly considered plan of
cumulating crops, we feel that the results of any artificial system
e very dubious. It cannot be said that reduced acreage alone was
sponsible for our short crops the past season for everyone knows that
e great drought added largely to the crop failure. Nevertheless it
a paradox that our great country, which has always stood out pre-
inently as a large exporter of grains, has suddenly turned to an im-
rter. We are now taking from other nations rye, barley, oats, corn
d wheat despite high tariffs. We have imported so far from Canada
,274,833 bu of wheat, of which the largest part comprises durum
rieties and the balance is low-grade wheat that will probably be used
r animals. In addition to this there are 4,868,000 bu of bread whea
ich has been ground in bond in this country.

Primary receipts of wheat today were 182,000 bu compared with 446,-
00 bu last year. Stocks at Kansas City, Duluth and Minneapolis show
total decrease of 384,000 bu.

During most of the session trade was quiet, and there apparently
s not much encouragement to make new commitments. The fact that
ere are so few shorts in the market causes minor declines whenever
lling orders come into the pits.

We expect that next Monday both Kansas City and Omaha will again
ow large decreases of corn; and this might change sentiment rather
ddenly. There is nothing in the Argentine news to expect drastic
rn declines. The weather there at the moment is fine; farmers see
great deal of wheat coming on the market and they are inclined to
ell all cereals. At the present time European demand is very poor;
ut the feed grain crops were small the past season and their require-
ents should easily take care of the offerings.

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DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO December 13, 1934.

Considering that feedstuffs, particularly corn, present an
ute shortage this year caused by the drought and acreage reductions,
rn will remain the leader for some time. Wheat supplies will be
fficient for all purposes, although not over-abundant. The fluctua-
ions in corn, up or down, will undoubtedly affect all other cereals,
pecially oats, rye, barley, milo maize and kaffir corn, because
l of these can be used as substitutes.

It is, therefore, advisable to analyze the conditions which
used the last break of about 5 cents a bushel in corn from the re-
ent high level. This, undoubtedly, was due to heavy importations
both Argentine corn and Canadian low-grade wheat. The latter is
mediately available, while it will take some time before the
rgentine corn will reach this country and can be offered freely to
he consumer. The quantity of old Argentine corn which is available
s extremely scarce, and today prices for this cereal at Buenos Aires
ave advanced about 2 cents per bushel. We do not believe much of it
ill reach the United States until February or March. The new corn
ill not arrive in quantities until May or June. The Argentine corn
rop is brought to market about six months later than ours; conse-
uently, heavy arrivals there are not due until May, and with the
ong ocean trip it is quite plain that we shall have to depend upon
ur own production for at least five months, with the exception of the
anadian feed wheat. Fairly large quantities of that have been pur-
ased, but after all it will prove to be only a drop in the bucket,
onsidering the immense shortage existing.

In the meantime, however, lots of this corn bought specula-
ively in the Argentine, as well as the feed wheat, had been hedged
ere, and this temporary pressure on the market was too much for the
arket to withstand. This naturally caused a reaction; and if our
urmises are correct, this should prove to be only temporary. All
edges will have to be covered sooner or later in a market where
tocks must have been greatly reduced in the meantime.

When it is considered that our visible supply has shrunk
lready over 20,000,000 bu in a very short time, and the total stocks
n Chicago, the great corn market, are now 10,857,000 bu compared
ith 20,635,000 bu last year, or only a little more than half, it is
vident that by next May supplies available for contract delivery
ill be at a minimum. When it is further considered that December
orn, which represents the cash value, is still at a big premium
ver May, and that Argentine corn in all likelihood is not deliver-
ble on contract, the situation might look entirely different later
n from what it is now. We do not think it should ever be forgotten
hat the total production of all feedstuffs was so extraordinarily
mall that in spite of decreased consumption and importations it
ill not be sufficient to make up for the shortage. In the mean-
ime, primary receipts are very moderate- only 542,000 bu compared
ith 904,000 last year. Shipments are actually larger at 571,000 bu
ersus 362,000 a year ago. There were no signs of further hedges
oday, and in consequence it was easy for the market to rally after
further decline earlier in the session. The corn market closed
/4¢ per bushel higher than yesterday.

There were no special features pertaining to wheat. Cables
ere again a trifle lower, and we are afraid that the foreign situa-
ion is largely influenced by the pressure on part of French wheat,
hat country now having become an exporter, something with which we
ad not reckoned.

(O V E R)

The Continental financial situation also remains a very uncertain factor, proof being that England imported for the last six months about 600 million dollars in gold bullion which is held mainly on account of foreign hoarders or speculators. It is claimed that the accommodation of bank vaults and safe deposits is taxed to find space for all this precious metal. We have to assume that the citizens of the respective gold countries in Europe are better posted than we are on what might happen; and in the meantime the exchange difficulties and fears of monetary changes in their currency prevent them from entering into new engagements. Otherwise, we could see great encouragement from the fact that the Black sea shippe this week only 72,000 bushels against 2,016,000 last year.

The Argentine farmer, of course, knows that within a very short time a great deal of wheat and flaxseed will come on the market; and he continues to be a free seller. Canada looks on complacently and is satisfied to share the export business to only a moderate extent. Here, the domestic situation remains as strong as ever. The farther one gets away from Chicago the higher prices, comparatively, are being paid. Kansas City is paying big premiums; and wheat at interior points in Kansas, such as Hutchinson and Wichita, is in good demand, selling about 7 to 8 1/2¢ over basis of Kansas City May wheat. This is all quite extraordinary.

Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 679,000 bushels. Ordinarily we would assume that the visible supply next Monday would show a large decrease; but the figures that will be given out may not be accurate insofar as at the present time they include lots of feed wheat which cannot be used for human consumption.

Primary receipts of wheat were comparatively large at 620,000 bu; but these statistics also have lessened in their ordinary value as feed wheat is included, and much wheat is shifted from one terminal market to another. Those who analyze the figures will find that the actual new receipts, coming from farmers' deliveries, are extremely small. At the close the market was practically unchanged.

Oats were independently strong; but rye was more or less neglected without any sharp fluctuations.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

December 14, 1934

There was some encouragement today in the foreign statistical tuation. Argentine shipments for the week were very small, 546,000 bu compared with 3,586,000 last week, and 843,000 bu last ar. Australian exports were somewhat larger, 1,896,000 bu, but ack sea shipments will be next to nothing; and as North American ntributions probably will be small also, it is evident that this ek's clearances will be considerably less than they were in 1933 en they amounted, for the week, to about 9,000,000 bu.

In consequence, Liverpool cables were somewhat higher, and as our mestic situation remains strong, it needs only the slightest encour- ement from abroad to infuse a better feeling. However, new spec- ative commitments at the present time are very small. There is thing at the moment to fire the imagination of the trader, and until mething new develops we do not look for any radical fluctuations, at ast not until after the holidays. If wheat feeding for animals con- nues then on a large scale, and provided weather will not be abormal- favorable, so that the outlook will be for only a moderate and not r a bumper crop, the fact that our carryover will be reduced so very ch may be a new incentive for engagements on the constructive side.

There are also always the possibilities that with proposals for ical monetary measures when the new Congress convenes, the present l in the inflation scare may be revived again. We do not think fears of credit inflation either here or abroad will be entirely sipated until we adopt the policy which Napoleon declared to be his n he was asked at his first cabinet meeting what he intended to do, which he promptly replied, "I will pay cash or do nothing." We all reciate that this cannot be done at the present time, but the near- we come to the point where our large deficits will be gradually uced so we can see the light of day to approach the desirable ideal balancing the budget, the more confidence will be restored, the more enterprises will be developed, thereby employing more labor and in- asing our consumption.

The French government yesterday by a vote of 387 to 175 decided to pose of France's surplus wheat and price control. We consider this reat step in the right direction. France is a country where the capita consumption of flour is the greatest of all nations, but ough excessive prices, brought about through government control, sub- ies and tariffs, consumption was greatly curtailed. Now we may k forward to the opposite.

With better sentiment caused by encouraging cables, the market ally closed one cent higher.

Domestically there is no great change. Primary receipts continue be light, 310,000 bu versus 540,000 last year; and stocks at Kansas y, Duluth and Minneapolis so far for the week show a decrease of ,000 bu.

Corn, for a few minutes, showed weakness when Argentine cables re- ted a decline of 1 1/4¢ per bushel from yesterday; and as this cereal practically on an importing basis, it caused a more hesitant feel- . However, most of the bulls in corn take a long range view and be- ve that the total shortage of feedstuffs, of between 1 1/2 to 2 bil- n bushels compared with a normal production, is so overwhelming that ther economies nor importations will be able to change the picture erially. Temporarily, however, it seems that the cash demand is ewhat reduced; and today, for the first time, there were deliveries December contracts of 50,000 bushels, although same were promptly en care of and were no depressing factor. Primary receipts con- ue to be light, 422,000 bu compared with 931,000 last year. Ship- ts were heavier than in 1933, being 524,000 bu versus 300,000 then. the close the market showed an advance of one cent.

Oats were influenced largely by the great strength in the December ure; and it seems that shorts have great difficulty in taking care their engagements without forcing prices higher. Rye sympathized the other cereals and closed higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
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YORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO December 15, 1934.

There was no decisive trend to the wheat market during the
rst part of today's session, bullish and bearish factors offsetting
ch other which resulted in very limited trading and small fluctua-
ons. At the close the market showed a decline of 1¢ per bushel.
bles were a trifle higher, but not quite as much as they were due.

We received a cable from Rotterdam stating it is reported
at a cargo of Argentine wheat was purchased for shipment to the
ited States. We had no other confirmation of this transaction.
wever, the fact that we are so very near an importing basis, despite
42-cent per bushel duty and other heavy charges, the possibility at
ast exists that Argentine prices would permit of such a trade is
ther discouraging, as well as a reminder that there might be a
nit to any very sharp advances. Even though importations of Argentine
eat have not yet taken place, this certainly would come about, we
agine, should our wheat prices have a decisive upturn. Therefore,
ropean conditions and prices can never be left entirely out of sight;
d we have to take cognizance of the fact that so far the importing
tions have been able to get along with very much smaller purchases
an were anticipated.

World shipment figures, which will be reported on Monday, pro-
bly will be the lightest in some time; and the discouraging part is
e small contributions from North America which are estimated to be
ss than 2 million bushels. Of course nobody expected any clearances
om the United States, but considering the large amounts available in
nada, one would have supposed that that country would have made great-
efforts to dispose of its huge surplus. According to Bradstreet,
pments from North America since July 1st are only 80,533,000 bu com-
red with 96,830,000 in 1933; and this amount is less than fifty per
nt of the quantity that Canada carried over from last year. There-
re, at this rate, it would require another five months or longer to
ean up their old stocks, not to speak of the surplus which has been
sed again this year. When it is considered that this happened in
te of two short crops in Canada, we dislike to contemplate what
ght happen next year should a normal or a bumper crop be harvested
Canada. However, this is all to be considered later, as at the
esent time the United States is feeling more and more the effect of
short domestic crop.

Stocks continue to decrease regularly almost every week, and
l be reduced to very small proportions before another crop is
ught to market. A short or good crop next season will be discounted
g before it is raised; and therefore weather conditions in the Spring
l be watched closely and probably will be the determining factor in
ablishing values. At the present time weather conditions are nor-
, and fairly good rains have given the crop a good start in many
tes; but the lack of moisture in western Kansas, which district is
reat wheat producer, has not yet been relieved. Under the cir-
stances more or less caution on either side is advisable at the
ent.

Primary receipts of wheat were very light -290,000 bu- just
ut half of what they were last year when they were 576,000 bu.
cks at Kansas City, Duluth and Minneapolis show a decrease so far
s week of 962,000 bu. We believe that in spite of importations of
adian feed wheat, which is not used for human consumption, we shall
a decrease in the visible supply.

The corn news was also rather two-sided. Argentine quota-
ns were lower again today; and inasmuch as we are practically on an
orting basis, this situation cannot be lost sight of. Of course the
ntity which Argentina can spare must of necessity be limited.
inarily she has only a little more than 200,000,000 bu to dispose of
export; and Europe is more or less dependent upon that quantity to
d its animals. Therefore, any large quantity which should be sold
this country would immediately strengthen their position considerably.

The domestic situation remains strong, as indicated by the
h premiums which continue to be paid for the cash article. The de-
d in the southwest is probably a little poorer than it was, but
ertheless, we look for a very heavy decrease in stocks to be pub-
hed on Monday in the two important southwestern markets-- Omaha and
sas City.

Primary receipts keep light, 445,000 bu against 846,000 a year
; and shipments were larger than in 1933, being 468,000 bu versus
,000 bu the previous season. At the close the corn market showed
oderate decline from yesterday of 5/8¢ per bushel.

Rye and oats both declined in sympathy with the other cereals.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO Dec. 17, 1934.

One would probably have to search records for thirty or forty ears to find world's shipments at this time of the season as small s they were the past week, being only 6,409,000 bu to European and on-European countries. However, it would be unreasonable to draw the onclusion from this fact that consumption had decreased to such a ow ebb as these figures would indicate. As a matter of fact, wheat n-passage had decreased 4,000,000 bu and it is evident that such ecreases cannot continue for any length of time, the amount having een reduced already to 28,000,000 bu. A proper inference rather, ould be that Argentine wheat which is coming on the market now is eing very freely offered, and that shipments will be very much increased so that Europe could well afford to wait with its purchases ntil Argentina, which is a free seller, disposes of its first heavy rrivals.

This thought evidently was the cause of a very sharp decline t Liverpool, their closing quotations being about 1 1/4¢ lower than hat of Saturday. Nevertheless this discouragement from abroad s expressed in declining futures at Liverpool, was bound to have a epressing effect on sentiment here, and in consequence prices at he opening of our session showed a very sharp decline; and at the lose registered a loss of 1 7/8¢ compared with the previous session.

England, which is the largest buyer of imported wheat, taking pproximately 40% of that which all the important exporting countries are furnishng, is evidently dissatisfied with the continued holding policy on art of the governmental agencies at Canada, and feel they can out-wit hem. Canada, which still has tremendous quantities of wheat to disose of, and has advantages in the United Kingdom in the way of ariffs, paying no duty while others have to pay 5 to 6¢ per bushel. et she is trying to hold up the market way above the world's parity n the hope of forcing the consumer to pay them the prices which they hink they should have, and which they would like to obtain, in the eantime enabling Argentina and Australia to take the field. Her heat also has the advantage that it is of choicer quality and very esirable in every respect, but Canada is not inclined to meet the onsumer halfway, preferring to keep her wheat on the shelf still oping that something might turn up next year toalter the situation. n the meantime, however, this all creates a bad effect, as the nowledge exists that any moment the policy might be changed and he wheat be offered, depressing the whole wheat structure abroad. orth America cleared only 1,887,000 bu, which presumably came from anada, compared with 3,631,000 bu similar week last year, and stimated weekly requirements on part of Broomhall of over 5 million u.

Fortunately the United States has its domestic situation, nd is only indirectly affected by the world's situation --at least, his year. However, speculators anticipating upturns will be very areful until there is some visible sign of an improvement abroad.

Primary receipts continue to be light, being only 423,000 u compared with 872,000 last year; but the small decrease in the isible supply of 702,000 bu, compared with a decrese of 2,372,000 u. was a distinct disappointment. The wheat which has been imorted for feed to animals, and on which the duty has not yet been aid, is not included in the visible supply, but it is quite possible hat some duty has been paid already on part of it, and this may acount for the smaller decrease in the visible supply than last season.

There is no change in the premiums on cash wheat. Same are olding firm, and mills in the southwest have been again very liberal uyers. The weather continues to be normal and after the first of he year we think the new crop outlook will become a very important actor in shaping prices.

The statistical situation in corn continues to be encourageng, but nevertheless price sacrifices had to be made in sympathy ith wheat.

Primary receipts were only 687,000 compared with 1,066,000 ast year, and the visible supply showed a decrease of almost 3,000,000 u, reducing it to 42,589,000 bu compared with 64,414,000 last year, r almost 22,000,000 bu less.

There is no change in our opinion that the great shortage hich exists in feedstuffs cannot quite be made up either by importa-

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tions or economies and corn will remain a scarce article for a while and become extremely so before another crop is harvested.

At the close the market showed a decline of 7/8¢ per bushel.

Oats and rye also suffered moderately in sympathy with the sister cereal.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.

CHICAGO Dec. 18, 1934.

Liverpool wheat cables did not fully reflect our decline of yesterday, and their important futures finally closed 1/4 to 3/8¢ lower after having been higher before our session opened.

There has been no change whatsoever of late in our domestic situation, and no revision as to supplies and prospective demand. However, sentiment has changed materially chiefly on account of the much lower price level which is existing everywhere in the world outside of our own country, and possible importations.

Speculation has been largely reduced, and the open interest in wheat is only 124,000,000 bushels compared with 137,000,000 bu last year, and has been declining recently. It is usually difficult to boost commodity values without speculative support; but, of course, this season, because of the very short crop, normal rules cannot be absolutely followed and the unexpected is likely to happen. Of course, this can come about through demand overtaking supplies, and this may happen if wheat receipts continue to be so light that new pressure will be non-existent and removal of hedges will take the place of speculative purchases. Such a possibility is certainly in the air when one looks at today's primary receipts which are only 122,000 bu compared with 477,000 same day last year. We doubt whether primary receipts were as light as that on any day in December during the last fifty years, unless it was caused by a railroad strike, blizzard or any other element which would have prevented shipments, but certainly not when transportation facilities were normal. A continuation of light receipts, and naturally they will be somewhat heavier than today's will inevitably result right along in large reductions in our visible supply. Feeding of wheat to animals continues on a very large scale; therefore, after the turn of the year, for almost six months when receipts normally diminish, we assume that this year they will be reduced on an extraordinarily large scale.

Stocks at Kansas City, Duluth and Minneapolis show a decrease so far of only 62,000 bu, but indications are for another good decrease in the visible supply next Monday.

Our wheat market was higher during most of the session, although the bull news, of which there was a great deal, did not have its usual effect. There had been a serious error made yesterday when the visible supply figures were published. One of the chief reasons for the decline on that day was the small decrease of 700,000 bu, which amount turned out to be erroneous and the decrease was almost 2,000,000 bu.

Weather conditions are more favorable in Kansas, Texas and Oklahoma, moderate amounts of rain and snow having fallen during the last twenty-four hours just where most needed. The precipitation was not considerable, but it continued to snow during the day, and there is no question but the moisture will prove to be very beneficial although naturally it may not be anywhere sufficient to make up for the long-continued drought in the western part of Kansas and Nebraska.

Canadian receipts were again larger than last year, 340,000 bu. against 288,000 bu then. Despite the short crop, the visible supply shows 253,000,000 bu, about 10,000,000 larger than a year ago, and no progress has been made toward any reduction since November 9 when it was close to 252,000,000 bu. If the government's last crop estimate for the three provinces of 268,000,000 bu is correct, there should be 55,000,000 bu still remaining in farmers' hands.

After today's session the Agriculture Department will give its latest report on this year's crop, but it is not assumed that the figures will vary considerably from those we have been working on. We do not anticipate any great change tomorrow on account of same. At the close the wheat market had gained only a fraction of what it had lost yesterday, final figures being 1/2¢ per bushel higher.

Corn also acted very tired and made poor response to higher quotations in the Argentine. Receipts were 574,000 bu versus 604,000 a year ago; but we believe there is a great deal of duplication going on, and that actual farmers' deliveries destined for terminal markets are very small. Cash premiums, particularly in the southwest, are keeping very strong, and we look for continued decreases in the visible supply.

The government report this afternoon on corn we believe might show a further reduction in estimated yields, as husking returns had been very poor. However, this is merely a guess. The report will not be issued until after the close of the session. The weakness early was followed by a good recovery, and the close was 1/4¢ per bushel higher than yesterday. Oats were somewhat higher; rye showed independent strength, and gained more than any of the other cereals.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO

Dec. 19, 1934.

The holiday atmosphere made its appearance a little earlier han usual this year. It is always quiet during this period; millers nd bakers are taking inventory and letting their supplies run down; ut it seems to be particularly dull just now, although it would not e surprising if this would change very materially after the turn of he year.

On account of the very short crops and decreasing supplies, verything is different from a normal season. The highest wheat isible supply on this crop was registered on September 8th, with 15,481,000 bu, which decreased up to December 15 to 89,018,000 bu, r a decrease of 26,463,000 bu in fourteen weeks. This is almost at he rate of 2,000,000 bu a week. On the assumption that we reached he peak of our movement a long time ago, that receipts during the ext six months will be extremely light, and taking further into consideraion that according to the millers' code they are not permitted to ell flour ahead for more than three months, it is most likely that he demand from now on will greatly exceed the new supplies. A weeky decrease of 2,000,000 bu during the next twenty-eight weeks would ertainly not be a high estimate, and if this should materialize our isible supply on July 1 would not be over 33,000,000 bu.

At the present time our open trades in wheat are about 124,000,00 bu; and inasmuch as country elevator and mill stocks will also e largely reduced, hedges will have to be removed right along, and hese will only be obtainable if the holdersof the present futures re willing to furnish same. Whether or not this will be the case ill depend very largely upon the new crop outlook, and also the oreign situation.

For the last few days the weather has been extremely favorable. here were good snows in many places, but the territory which needs oisture the most: namely, the extreme west, has been relieved only o a very slight extent. We fully appreciate that there is plenty f time yet to correct the situation at least partially where it is he worst, and the balance of the winter wheat acreage, at least 80 per ent, is quite promising at the moment. Nevertheless it would be uite extraordinary if we should not get our usual crop scares later n, both in spring and winter wheat.

The foreign situation in the meantime is very perplexing. While veryone predicted much larger European requirements this season than ast on account of the short crops, the first 20 weeks of the crop ear the clearances were the smallest since the war years; and so ar amounted to only 157,000,000 bu. This is a trifle smaller than ast year, and has several times been exceeded by more than 100,000,00 bu since 1927. Almost every year the percentage of shipments uring the first 20 weeks are an absolute indication of what they re likely to be during the twelve months. It hardly varies any, nd it is due to this fact that Europe remains so very independent.

Nevertheless, cables were about 1/2¢ a bushel higher today, hich was probably due to the outlook of another week's very small orld's shipments, Bradstreet reporting that North American exports mount to only 1,682,000 bu compared with 2,911,000 bu last year; nd the total from North America so far since July 1st is 17,000,000 u less. Considering that Canada has such a large surplus it must e very discouraging for that country.

Domestic statistics remain rather bullish, primary receipts eing only 244,000 bushels versus 682,000 last year, or less than 40 er cent by comparison. Stocks at Kansas City, Duluth and Minneapolis o far this week show a decrease of 256,000 bushels, and with very ight farmers' deliveries, we cannot anticipate anything but another eavy shrinkage in the visible stocks. There were very heavy deiveries on December contracts, and the belated longs who have no

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use for the wheat were compelled to liquidate the nearby futures. This depressed the whole market. At the close there was a loss of 1 1/4¢ per bushel.

The heavy snows over a large territory ought to increase the feeding demand considerably. But chiefly on account of lack of new speculative commitments, the corn market was quite indifferent to this condition and prices during the early session varied but little from yesterday, but the great weakness in wheat finally affected it, and the close showed a decline of 3/4¢ per bushel. Primary receipts continue to be light 401,000 bushels against 804,000 last season; and while receipts were about one-half as much, shipments were almost double, being 459,000 bushels compared with 249,000.

The government report which was published yesterday after the close of our session increased its estimate on the crop 8,000,000 bushels; but this had no effect on sentiment, because the quantity was so small. Furthermore at the same time there was an offset in the decrease in the oats estimate of 18,000,000 bushels. In any case the crop will go down in history as one of the shortest ever raised, and it still may be a problem how to get along with this small quantity and yet feed our animals. The reduced yield for oats also had only a slightly strengthening effect at the opening; but yet when it is considered that so much fuss would be made about importations of 18,000,000 bushels, it is quite apparent that this cereal might become extremely scarce before another season.

Rye closed weak in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO December 20 1934

The fundamental setup in wheat has changed so little of late that it is rather difficult to bring new factors to light. However, this afternoon after the close of our session, the Agriculture Department will issue its report on the estimated size of the winter wheat acreage and condition. Inasmuch as next year's wheat values, naturally, will depend very largely upon the outcome of the size of the crop, this report will be watched very closely and will for the present be the basis of future trading in July wheat, subject to changes in the weather, which, of course, might be favorable or unfavorable from now on.

In the meantime, however, it might be well to point out the great changes which have taken place in the world's consumption of imported wheat, particularly in Europe. The great countries, Germany, France and Italy, with a total population of over 150,000,000 inhabitants, or considerably more than the United States, and dependent upon others to a greater extent for their bread basket in the past, have all become practically self-sustaining. France, on account of subsidies and high duties, has in fact become an exporter. Germany through economies and lack of foreign exchange, has almost disappeared as a buyer of foreign wheats; and Italy has also stimulated her production to such an extent that her purchases are of only a negligible character. This explains why Europe has been getting along weekly with such small world shipments and their prices declined right along in spite of small takings.

There is nothing in sight to change this picture immediately, and, therefore, prospects as far as the world's price level is concerned, are not very encouraging, and the best that can be said is, that probably everything has been discounted, as evidenced by the very low level of values existing at the present time.

The country which has suffered the most under these conditions seems to be Canada, as those who handle wheat for government agencies there evidently have not adopted the same policy of Argentine and Australia. These latter countries disposed of their wheat, preferring to take the world's price rather than hold their crops for another season and thereby make matters worse.

The exports of Canadian wheat for the month of November were only 21,000,000 bu --the lightest they have been since 1919, and during this period have been as high as

60,000,000 bushels in 1922
70,000,000 " " 1923
80,000,000 " " 1928

1931-32-33 averaged considerably over 30,000,000 bu.

Nobody can predict whether this policy will be changed; but in the meantime with the knowledge that these burdensome supplies exist in Canada; England, which remains the chief importing country, is apparently willing to let her supplies run down, expecting that in the long-drawn-out battle she will win, and that finally Canada will be compelled to reduce her supplies and offer her wheat at the world's level

Owing to two successive years of very short crops in the United States, both years' production being below normal consumption, our price structure has been, and probably will continue to be, above that of other countries, and in spite of this condition, we shall be able to reduce our stocks to very low proportions. Whether next year

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we shall be confronted with a sizeable surplus or not, is too early to determine; but in all probability the wheat feeding for animals will be very large between July and November before another corn crop is harvested. In many districts the farmer will have plenty of wheat and no corn and, therefore, will be inclined to substitute one for the other. Also the northwest millers will be compelled to draw for several months on southwestern supplies of the new wheat before the spring wheat crop will be harvested.

Today's receipts were only 261,000 bushels compared with 722,000 last year, or less than 40 per cent. Shipments were about the same, 314,000 bushels versus 307,000 in 1933. Stocks so far this week at Kansas City, Duluth and Minneapolis show a decrease of 541,000 bushels; and Buffalo is also likely to decrease very heavily. We think it is fair to assume that the visible supply next Monday will again show big inroads on our terminal stocks. It is this condition which so far has prevented, and probably will continue to prevent any big declines. Sentiment, as a rule, is inclined to be bearish on the part of local traders, owing to the foreign situation, but yet they become very apprehensive every time the market shows the slightest strength. The daily buying which comes into the market for removal of hedges is also a sustaining factor. At the close the wheat market showed a decline of 1/8¢ per bushel.

The corn market is still suffering from the load of hedges which it had to digest on account of Argentine importations. After a while the opposite operations will take place, the corn will be sold to consumers, the hedges will be removed, and possibly an equal amount of strength will then be brought about. In the meantime receipts are still very light, being 348,000 bushels versus 687,000 a year ago; shipments compare favorably with 1933 --358,000 bushels this year whereas last year they were 231,000 bushels. We look for another decrease in the visible supply on Monday. We believe the shortage of two successive feed crops will be felt more during the next six months than during the early part of the movement. At the close the corn market was 3/4¢ per bushel lower than yesterday.

Oats and rye trade was very limited, finally showing fractional declines.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO December 21, 1934.

After the close of yesterday's session a government report 'rom Washington came out giving us estimates on the winter wheat .creage seeded, amounting to 44,306,000 acres, and a condition on)ecember 1st of 77.8 compared with 74.3 a year ago, and a ten-year :verage of 82.4. All kinds of guesses were made as to the real mean- .ng of the report, but it is generally recognized that the December ondition at best has never been of much value in the final results. he weather from now on will determine the yields, and nobody is able o forecast same. Obviously, however, the fact that the planted .creage was 2,500,000 acres more than last year, (and the largest ince 1931) was given a very bearish construction. On the face of t, it looked as if all the money spent by the governmental agencies o bring about a reduction in acreage had proven to be a failure. But his conclusion may have been superficial as no consideration was aken of the fact that many acres had been seeded for the sole pur- ose of obtaining feed for animals. Permission was given on part of he Agriculture Department that farmers could do this on corn acreage here crops were a total or partial failure. Therefore, it is not nly possible but very likely that the abandonment of acreages will e very much larger than usual. It is the merest kind of a guess at he present time to say how much this will be; nor is it possible to igure how many acres would be abandoned through winter killing, but ome estimate that 18% of the abandonment would be a fair estimate; hich would reduce the acreage standing to about 36,000,000 acres. n average crop on same could easily be in the neighborhood of 00,000,000 bushels, or possibly even more if weather conditions are avorable. If we should add to this the normal yield of an average pring wheat crop, we should probably raise a moderate surplus, hich would have to be exported. The excess would not be extra- rdinarily burdensome if we assume that the amount of wheat feeding to nimals will be much above the average after July 1st when the farmer 10 has no corn and lots of wheat would be inclined to substitute ieat, particularly as the price difference between them would make t very tempting to do so.

When analyzing the report, the trade in general has taken saner view of same. After a sharp decline at the opening the market ecovered moderately, closing 3/8¢ per bushel higher.

Europe also was affected by the figures given regarding the rospective outlook of our next year's crop, and declined again about /4¢ per bushel --Argentine also followed. Liverpool particularly is nclined to weakness as they look at the large stocks of Canadian heat, and are convinced that sooner or later same will have to be old abroad in competition with the Argentine and French wheat which pressing on the market at the present time.

Total stocks of Canadian wheat in all positions, except in rmers' hands and in transit, amount now to 255,171,000 bushels com- ared with 243,433,000 bushels a year ago; and if we add farmers' ocks, Canada has to deal with about 300,000,000 bushels. Unless earances during the next seven months are much heavier in proportion an they were during the first five months, a tremendous quantity ll be left over, which might come into competition with the new crop United States wheat should there be an exportable surplus then.

Primary receipts of wheat continue to be very light -- 5,000 bushels against 504,000 last year, or hardly more than one- ird. Shipments were considerably larger than in 1933, being 258,000 shels versus 229,000 the previous year. Estimates made by reliable ncerns in the southwest give the amount of wheat left in farmers' nds at much below the average percentage. We, therefore, assume at during the next six months receipts might be the lightest ever own. Whenever millers need any large quantity they will be com- lled to go to terminal markets to obtain same, there will be con- nuous removal of hedges, and a reduction of stocks at terminal ints. We look for a fair-sized decrease in the visible supply on nday, as we already know that stocks at Kansas City, Duluth and nneapolis so far this week have decreased 758,000 bushels, and as ffalo will ~~also decrease~~ vary heavily, no other result can be ex- oted.

The corn market at the opening suffered in sympathy with the decline in wheat, also from the further lowering of values in the Argentine, and good-sized deliveries on December contracts. Primary receipts continue to be very light --only 405,000 bushels against 647,000 a year ago. We look for a further depletion of stocks at terminal points. Furthermore, while the price is still too high for profitable feeding, the situation is improving somewhat. Hogs yesterday brought practically the highest price since October 1st. The average price yesterday was $6.00 CWT, whereas a year ago it was $3.15, two years ago, $2.90, and three years ago, $4.20. Inasmuch as animals are such a large asset of the farmers' wealth, any further improvement in hog and cattle prices would greatly increase his purchasing power and benefit business in every direction.

At the close the corn market was 3/4¢ per bushel higher.

Oats and rye were somewhat lower. However, the latter looks cheap compared to all the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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141 W. JACKSON BLVD.
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MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

December 22, 1934

There was some encouragement furnished to the trade today in stronger cables, as the continued weakness abroad was the discouraging feature in the wheat problem. The advance was about 1¢ a bushel, following fully our rise of yesterday.

There were reports here that the weather in the Argentine where the harvest is on now was unfavorable, and there was precipitation which is not wanted. Possibly the fact that world's shipments probably will be very light again may also have been a contributing factor to the strength at Liverpool. Last year they were a little over 10,000,000 bu, and it is doubtful if the important countries next Monday will show takings more than about 7,500,000 bu. So far we know that Argentina and Australia cleared about 4,600,000 bu, which is about 600,000 bu more than in 1933; but Russia is not shipping a bushel compared with 1,272,000 bu; and the Danubian provinces also cleared only 64,000 bu. We assume that North American clearances were very light, but France and sundry countries will probably make a moderate contribution. Altogether it seems Europe is getting along with smaller purchases than in the past.

We pointed out yesterday how Germany, France and Italy have become comparatively independent, and now we find that even the United Kingdom where importations were virtually the same one year as another ever since the War, has imported so far this season up to December 1st, 14,000,000 bu less than a year ago. This also undoubtedly has come to pass through subsidies being paid to the farmer, thereby increasing his acreage, and also compelling English millers to use a certain amount of home-grown wheat. Therefore, we must assume that this will remain a permanent factor to be reckoned with; and under the circumstances we do not see how Canada can consistently keep up a higher price level than the balance of the world, which cannot be forced to take a large quantity of her wheat, other nations being willing to fill the smaller demand at reduced prices.

Domestically the same tendencies which have prevailed right along are continuing, and small receipts are the order of each day. All primary markets received only 225,000 bu and shipped 284,000 bu. No comparison can be made with last year when there was a holiday. Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 937,000 bu, and it looks to us as though almost every other important point this week must have cut into its stocks, so that we assume that the visible supply will show on Monday a very much larger decrease than it did the year before when it amounted to 1,504,000 bu. At the close the wheat market showed an advance of 1/2¢ per bu.

The demand at the present time is very moderate, but considering that the holidays are approaching it is quite satisfactory in these circumstances, and points to much improvement after the turn of the year and after millers' inventories have been taken.

There was not much news as far as corn is concerned, except much colder weather is predicted which ought to increase the consumption. Receipts continue to be light, 285,000 bu at primary markets versus 445,000 bu last week; and it seems to us that most of the corn which is still held in farmers' hands will be needed at home, so that additions to terminal stocks are bound to be very light; and we are looking forward to steady decreases in the visible supply in all markets.

Oats and rye also shared in the much better feeling which prevailed, and closed at higher levels.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

CHICAGO December 24, 1934.

As was to be expected, with an abbreviated session on the
oard of Trade and with foreign markets preparing for the approach-
ng holidays, trade was extremely quiet; but there was undeniable
trength, and the feeling that with the turn of the year markets
ight do better.

Great events usually cast their shadows ahead. The fact
hat Chicago on a Monday, with two day's receipts, should have only
cars of wheat and 23 cars of corn is a clear indication of what
e may expect in the way of a movement to primary markets until
nother harvest increases the supplies. World shipments were only
,500,000 bu compared with 10,000,000 last year. North America
ffers the most, Canada contributed only 1,980,000 bushels versus
,724,000 in 1933.

The on-passage statement shows approximately 26,000,000
ushels against 20,000,000 a year ago. Of course we do not assume
at the world has stopped eating bread entirely, and we believe that
ince a large part of the crops raised in Europe must have been ab-
orbed, that from now on the takings will be increased. However, as
ong as Canada insists upon asking prices for her wheat so much higher
han those at which Argentine and Australia are willing to dispose of their
rops, they will take the lion's share of the business, and Canada at
he end of the year is likely to be left with a burdensome amount of
heat on her hands. This would come in competition with the new crop
f the United States, provided we raise a surplus.

The large decrease in the visible supply of 2,932,000 bu
s a further indication of the extreme strength of the domestic situa-
ion. Last year the visible supply decreased only about half as much,
r 1,504,000 bushels; the total has been reduced to 86,000,000 bu--
lmost 40,000,000 bushels less than in 1933. It is quite evident that
ith the very much reduced supplies in farmers' hands, that the primary
ovement for the next six months will make further inroads on terminal
tocks, and they will finally be reduced to very small proportions,
nd hardly more than they were before the depression years.

Primary receipts were a little larger --383,000 bushels;
ut over one-half was received at Minneapolis and must have been
uplications. Minneapolis millers are buying their supplies right
long at other centers, and it is not likely that they were country
eceipts.

The corn market was independently strong all during the
ession. Statistics and conditions surrounding this cereal are all
avorable for further advances. Receipts continue to be light, and
aily it seems as though most of the corn which is still left in
armers' hands will be used at home and there will be little left for
erminal markets after the turn of the year. The visible supply de-
reased 908,000 bushels, while last year there was an increase of
,479,000 bushels; we now have 24,000,000 bushels less than in 1933.
he total has been reduced to 41,681,000 bushels, and with ten months
o go yet before there is another harvest, it is quite evident that
hese supplies at terminal points may decrease to almost zero.

There was also great encouragement in the continued advance
n live stock prices, hogs being 25 to 40¢ CWT higher than on Friday;
nd provisions also profited from this scarcity of hogs as expressed
n the price.

At the close the corn market showed an advance of one cent
er bushel compared with Saturday.

Oats benefited in sympathy with the other cereals, and the
reat strength in the nearby futures.

Rye closed practically unchanged.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.

December 26, 1934

With European markets closed, as well as Winnipeg, and we also still under the influence of the holidays, nothing but a very light trade could be expected. The chief change in values, therefore, occurred at the opening of the session, after which time trade was of a desultory character without much significance.

Corn was again the leader and sentiment became extremely bullish, owing to the very severe weather which is bound to lead to an increased amount of this cereal being fed to animals. Same have been kept on a largely reduced diet of late, all feeds being so expensive; but when winter weather becomes severe, there is no further choice if they are to be kept alive. The difference between normal cold temperatures and milder ones, such as were experienced last year, would make a very large difference in the consumption of all feedstuffs; and the next two months are the ones during which time the greatest disappearnce of farm supplies usually occurs. Chicago again received only 24 cars for two days, yesterday having been a holiday, which amount is hardly sufficient for our local consumers. Therefore, practically every bushel that is being sold to other markets will have to come from terminal stocks.

Primary receipts of corn were only 280,000 bushels, for two days, compared with 235,000 bushels for one day last year. We still believe that most of the corn left on farms will be needed at home, and very little will be left for terminal markets or for other industries; the latter will have to be supplied mostly from previously accumulated stocks. At the close the market was 1 1/2 ¢ a bushel higher than Monday. There is great confidence among the trade that as time goes on the scarcity will be felt more, and higher levels will be attained. The wheat market had no such incentive for boosting prices, and the final close was only 1/2¢ a bushel higher than Monday.

Receipts continue to be light, only 277,000 bushels for two days versus 201,000 last year. Demand was also poor, which is but natural in view of the holidays; although with the turn of the year, we think this situation might change materially.

In analyzing the last government report, we find that the condition of wheat is the best in the soft winter wheat belt and the poorest in the Southwest. Illinois, Indiana and Missouri have a very high condition; Illinois, for instance, 92 per cent, and with increased acreages in those states there might be raised crops sufficiently large to replenish Chicago elevator stocks which we presume will be at a very low point before another season starts. The outlook in the Southwest is not so favorable, Texas having a condition as low as 55 per cent, which indicates almost a moderate failure if there is no improvement later on. For the present, therefore, it appears to us as though the Southwestern markets might remain relatively stronger than Chicago, particularly as they will have a greater outlet to the Northwest until the next Spring wheat crop is brought to market, and they will also have a good feeding demand for wheat, should the price level be lower next year than this.

Oats and rye also felt the effect of the good spirit which prevailed on the Exchange in anticipation of further advancing markets for all cereals.

Hogs, as well as lard, showed sensational rises in prices; and it looks as if the combination of drought, reduced acreages and a 59-cent dollar are commencing to show their results which will become accentuated probably in 1935.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.

CHICAGO Dec. 27, 1934.

Chicago today did not receive a single car of wheat, and only nine cars of corn. It hardly seems necessary to look up old statistics to find out whether there ever was such a record before; it is most unlikely. If this were due to bad weather conditions or poor transportation facilities it might be ignored, but if it is due, as we think it is, to the fact that supplies in farmers' hands are very limited and that grain in most cases is worth more at home than it is here, it creates a different picture and future outlook.

Primary receipts at all markets were also very light, and while it is quite reasonable to expect this between holidays, yet the total movement to the various points which report was only 119,000 bu of wheat. This isextraordinary even if cognizance is taken of the holiday season. Last year primary receipts were 212,000 bu, and it should never be forgotten that the crop then was also very small. It is quite certain that under these circumstances stocks at terminal markets will continue to decrease heavily. So far this week Kansas City, Duluth and Minneapolis show a greater outgo than unloadings --190,000 bushels.

If, nevertheless, our market did not show any great vigor, it must be attributed to the disappointing foreign situation. The Liverpool market, which was closed for several days, showed quotations for futures of about 1/4 to 1/2¢ per bushel lower than Saturday. Possibly the fact that France recently sold a cargo of wheat to China --about 260,000 bushels may have had a sentimental effect. As long as France presses her wheat on the market, and Argentina and Australia follow their habit of marketing their newly harvested wheat early regardless of price, European millers can take a waiting position; particularly as they are sure that Canada cannot forever keep her large stocks and that she also must enter the export column sooner or later. In the meantime stocks in Canada, as of December 21st, are the largest ever--almost 257,000,000 bushels compared with 243,000,000 a year ago. Otherwise, the foreign situation would not be quite hopeless. Argentina's preliminary estimate on the crop is 252,000,000 bushels, which is only 12,000,000 bu more than the five-year average, and almost 35,000,000 bu less than last season. Australia also produces considerably less this year than in 1933. It must be assumed that consumption in France during the next six months willbe much larger than it was the preceding ones. It is Europe's habit of consuming her own growings first, and so far she imported within 3,000,000 bushels as much as a year ago.

Domestically, we expect a much improved demand after the turn of the year. In former years big bakers and other consumers frequently bought their supplies for six months or more ahead provided the price was low enough, but under the new code millers are not permitted to sell more than three months in advance. Consequently, prospects are for better all-year-around business than before.

At the close the wheat market showed a decline of 1/2¢ per bushel.

The corn bulls suffered another severe shock when Argentina sent new low quotations for her futures, and also reduced her prices on cargo shipments to this country. Ordinarily this matter could be entirel ignored, but being so close to an importing basis it has a sentimental and actual effect, as necessarily it will increase importations. Nevertheless, the reaction from Wednesday's prices was only moderate, and is due to the fact that a great many traders assume that the existing shortage is so great that the surplus of Argentina can be absorbed without disturbing the price structure. The total primary receipts were only 165,000 bu compared with 429,000 last year, and absolutely insufficient to supply current demand, shipments having been 227,000 b After all, there is a limit to how much Argentina will be able to sell as in normal years all her production is needed in Europe, and feed supplies there are not any too abundant. It is also a long time yet until the new corn crop comes to market, and the present period compar with ours at the end of June, after which time all crop damages occur. At the close the corn market showed a decline of 3/8¢ per bushel.

Oats and rye were a trifle lower in sympathy with the other grain

There is a lull in monetary matters at the present time, but with the new session of Congress many inflationary bills probably will come up, and according to their importance and prospect of passing, inflationary fears may possibly become a factor again.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

December 28, 1934.

The grain markets again today received no encouragement from Liverpool, where the more active futures closed about 1/2¢ per bushel lower. However, it should be borne in mind that Europe at the present time is under the influence of heavy Argentine offerings, plus the dumping of French wheat, but after the first pressure from the Southern Hemisphere is over there seems to be no burdensome supplies available for the importing countries with the exception of Canada. The latter country appears to be determined to hold its wheat, hoping that next year the crop will again be a poor one. This is clearly indicated in Bradstreet's reports wherein he shows that this week's clearances from North America are only 1,316,000 bushels compared with 4,150,000 a year ago; and the total since July 1st, 20,000,000 bushels less than in 1933. The Dominion government in Canada has also determined to prohibit trading in October futures at the present time, the chief motive as we understand it being that they wish to prevent Argentine hedges while the heavy movement from the latter country is going on. If two governments fight each other in this way, there can be only one outcome --namely, an unnatural price structure, which usually ends badly for both. This comes at a time when France, after a very sad experience, has finally restored free trading in grains. According to press dispatches from Paris, the new bill which is proposed is practically free from all restrictions, except obnoxious ones such as disseminating false news and other dishonest practices, which are about all covered in every country by common laws. Our market at the present time, fortunately, is free from political influences; we no longer look to Washington for inspiration in deciding the outlook for prices, but our thoughts are concentrated on the domestic situation, which still remains quite extraordinary.

Primary receipts today again were only 126,000 bushels against 310,000 in 1933, and shipments were 303,000 bushels, thus indicating a big decrease in terminal stocks, which will probably be confirmed in the visible supply figures on Monday. So far this week Kansas City, Duluth and Minneapolis decreased 372,000 bushels, but practically every other point will probably show smaller stocks, particularly Buffalo; and we anticipate that the decrease in the similar week of 1933 of 1,000,000 bushels will be largely exceeded. We also expect that when the government publishes figures of farm reserves on January 1st, they will be surprisingly low, and probably smaller than any previous record.

Under these circumstances, the new crop outlook later on will be a very important factor, but so far positive opinions on that subject would be premature. All we know at the present time about the planted acreage is the fact that a certain area, probably not over 20 per cent, is suffering from lack of moisture, while the balance promises well.

The planted area this year of 44,306,000 acres does not vary much from that of the previous four years, which were as follows:

Fall of	Area Sown
1933	41,850,000 acres
1932	42,669,000 "
1931	42,283,000 "
1930	45,240,000 "

However, the crops during the four years varied a great deal.

In 1933 the winter wheat crop was	405,034,000 bushels
1932	350,792,000 "
1931	478,291,000 "
1930	817,962,000 "

(OVER)

The extremes between 1930 and 1933 show plainly how the size of the crops vary from one season to another, depending upon the weather, which cannot be predicted.

The action of today's market is the clearest demonstration of the natural trend of prices at the present time. Everything is being ignored, and the fact that speculative commitments are very limited also had no effect. The market simply climbed up by itself, as hedgers are compelled to make purchases against cash sales, and there are no new sellers except possibly tired longs. At the close the wheat market showed an advance of 7/8¢ per bushel.

The situation in corn is very similar, except more pronounced. Primary receipts were only 181,000 bushels versus 311,000 a year ago; shipments were 338,000 bushels. The demand, while not active, continues moderately, and the fact that December corn is selling at 4 1/2¢ over the May without any manipulation but simply on its cash value, indicates more clearly than anything else the strength of this article. The corn market at the close was one cent per bushel higher than yesterday.

Oats and rye benefited from the strength in the other cereals, and showed considerable improvement over the previous session.

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DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

Dec. 29, 1934.

The outstanding feature of all cereals today was the astoundingly small receipts; and these show up more clearly when we give the figures for the whole week --all terminal markets receiving only 1,089,000 bushels of wheat compared with 2,071,000 last year, or just a trifle more than one-half as much. Today they were proportionately the same --184,000 bushels versus 363,000 a year ago.

We have about six months to go before another crop will be harvested, and therefore it is well to figure on what the requirements will be in the meantime. In the year 1934, from January to June, 1,034 mills producing 94.8 per cent of the total wheat flour, ground 220,000,000 bushels of wheat. On that basis all the mills would have ground 232,000,000 bushels. Assuming that the same amount of wheat will be ground during the first six months of 1935, we shall require the same amount of wheat, plus about 20,000,000 bushels for seed and, as a guess, 28,000,000 bushels for feed, or a total of 280,000,000 bushels. Inasmuch as the farm stocks are so light that they can furnish only a very small part of these requirements, it can be clearly seen that the balance can only be obtained through reductions in mill stocks, visible supply and country elevator supplies. Under these circumstances, we expect continued removal of hedges. These operations which take place daily are preventing very sharp declines, which otherwise might occur whenever the trade assumes a more bearish mood. The latter feeling existed today when there was almost a perpendicular decline in the December corn futures when eleventh-hour bulls tried to liquidate after fancy premiums over the May delivery had been reached. Inasmuch as there is only one more day left for the wind-up of December contracts, we believe when these are out of the way more attention will again be paid to the actual supply and demand. Even at that, the net decline for the day was only 5/8¢ per bushel.

Liverpool cables were rather more encouraging today, and closed about 3/4¢ per bushel higher.

Actual imports for the month of November are very interesting:

Corn	470,495 bushels
Oats	1,269,725 "
Wheat	2,259,334 "
Barley	1,634,827 "
Rye	1,307,524 "
	6,941,905 "

For barley and rye, of which our own crops are so short, they are comparatively large in percentage; but as far as corn and oats, and even feed wheat, are concerned, the total is so insignificant considering the enormous consumption that they have not cut any real figure yet in the shaping of prices, except sentimentally. Surprising as it is, this great big nation with a larger area under cultivation than any other country, except Russia, should be compelled to import all these cereals. Nevertheless, the power of absorption this year is so great both on account of the drought and the reduced acreages that there never was any trouble in absorbing them. Much more will be needed for the minimum requirement of feed for our animals.

It is true, according to official figures, that we are also exporting wheat and flour, the total from July 1st to December 1st, amounting to 11,649,000 bushels. However, against this there were importations of 7,745,000 bushels; and the balance we presume are shipments of wheat from the Pacific coast which had been contracted for before the first of July, but which could not be shipped during

(OVER)

the old crop year on account of the strike.

World shipments this week promise to be very light --probably not more than 7,500,000 bushels. Russia, which cleared last year 1,464,000 bushels, did not ship one bushel this year; and Argentina, as well as Australia, are furnishing less than in 1933. So it is quite possible that from now on we may see a betterment in foreign requirements.

Stocks at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 453,000 bushels, indicating a fair-sized decrease in the visible supply on Monday.

Weekly corn receipts at fourteen principal interior terminals were only 1,260,000 bu compared with 2,455,000 the previous season, or only a little more than one-half. When it is considered that last year's corn crop was also way below average, and would make a poor showing with the five-year average before that time, it becomes very significant. There is no sign that this condition will change, and today's receipts in Chicago were only 13 cars, and at all points, 175,000 bushels versus 378,000 in 1933. Ordinarily this would have given our market great strength,and in fact it did so for a while, but when the December future declined sharply on belated liquidation, the whole market sympathized with it, and the chief future at the close showed a decline of 1 1/8¢ per bushel.

Rye and oats followed the other cereals,and closed lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO December 31st, 1934.

The old year ends very encouragingly inasmuch as prices for all cereals closed at much higher levels than they did the last day of 1933. While this was partly accomplished through reduction in acreages in the United States and extremely short crops, the world's level of all agricultural products is also higher, although not as much as here.

Hogs today reached the highest price of the season, and lard and other hog products sold at the top price in seven years. Butter is selling at better prices than it has for three years. Inasmuch as a very large part of our population still live on the land, prosperity and prices of agricultural products are very closely related. If the same conditions continue during the coming year, it is at least possible that the whole economic fabric will feel the effects of the actual and prospective farmers' prosperity.

Today's action of the wheat market itself was of no significance, but not much could possibly be expected with holiday atmosphere still prevailing. Cables were a trifle lower, but did not reflect fully our Saturday's decline.

World shipments were extremely small --only 6,822,000 bushels compared with 10,287,000 bushels in 1933. North American contribution was particularly light, and about one million bushels less than a year ago. As long as Canada sells so sparingly of her surplus, a cloud will hang over foreign markets, and the possibility will also exist that sooner or later she will be compelled to meet world prices and offer her wheat on a more liberal scale. This, especially so as a new competitor entered the market; France authorized exports of about 7,000,000 bushels of wheat up to April 15th; and these shipments will be largely at the expense of Canada, which country otherwise would have to furnish same.

Primary receipts today were light again for a Monday --275,000 bushels versus 383,000 last week; no comparison can be made with last year when there was a holiday. We assume that the primary movement will continue to be very light, as in all probability the amount in farmers' hands will be smaller than at anytime in more recent years in January. We find that ever since the Agricultural Department has been giving figures on estimated stocks left on farms on January 1st compared with October 1st, there has been an average reduction of about 35 per cent of the October figures. We have no reason to believe that the reduction will be any smaller this year, particularly as wheat feeding to animals has been very heavy. On this basis, supplies on farms, which were 234,000,000 bu on October 1st, would be reduced to 152,000,000 bu, or 40,000,000 bu. less than in 1934. This amount is so small that the movement during the next six months would be the lightest ever known, totally inadequate for most of the mills at home, and terminal country elevator and mill stocks would of necessity be drawn upon very heavily. The visible supply decreased 1,316,000 bushels the past week compared with 991,000 bushels in 1933, and the total is now about 40,000,000 bushels less than it was then. The decrease would have been considerably greater, and in actuality was so, but the figures published included over 600,000 bushels of low-grade wheat which had been imported and which cannot be used for human food. At the close the wheat market was unchanged.

Corn receipts in Chicago were only 22 cars for a double day, showing an absolute reluctance on part of farmers to market this cereal on a liberal scale, as it evidently is bringing more money at home than if shipped to terminal markets. Primary receipts were only 274,000 bushels compared with 459,000 bu last week, and the visible supply showed a decrease of 351,000 bu compared with an increase of 801,000 bu last year. Therefore, we now have 25,000,000 bushels less at terminal markets than in 1933. We believe that from now on until there is another harvest, consumers will be more worried about getting supplies than holders of corn will be about disposing of their wares. At the close the market showed an advance of 3/8¢ per bushel.

Oats were higher in sympathy with the strength in corn; but trade in rye was very limited, and the market closed a trifle lower.

UHLMANN GRAIN CO.